

مركز الأخبار

INTERNATIONAL

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Growing Unrest Seen in Russia

Reported Car-Plant Strikes Blamed in Food Shortages in Major Cities

By Dan Fisher

COW, June 15 (LAT) — A report that the Soviet Union has lost at least three times the rate of its food supplies has fueled unrest in many of this country's industrial cities, informed sources said yesterday. And unrest has flared more frequently in known into various of labor disturbances, the added.

U.S. Study Shows Broad Content

By John Darnton

SAW, June 15 (NYT) — A report prepared by more than 100 scholars, scholars and officials, many of them from Communist establishments, says that the government's efforts to reverse the situation, it says, "the negative will progressively grow and such the avalanche stage, could threaten open social

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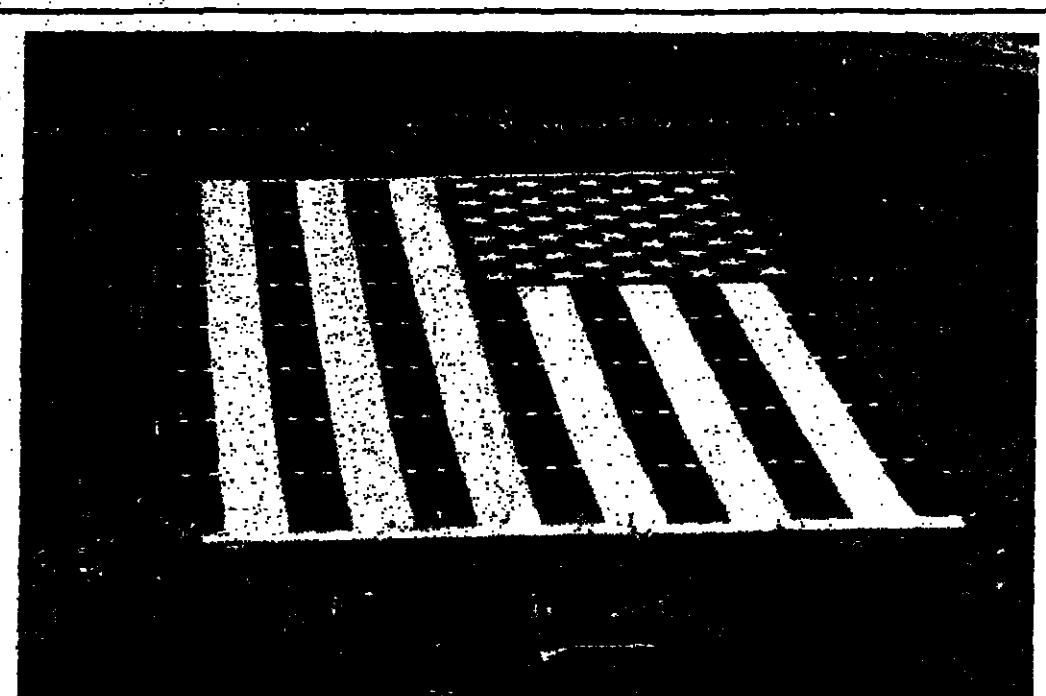
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BROAD STRIPES — The world's largest American flag is unfurled on the Mall near the Washington Monument for Flag Day. Former advertising executive Len Silverfine hopes the 210-by-411-foot polyester banner will wave from New York's Verrazano-Narrows Bridge soon; he hung a smaller flag there for the U.S. Bicentennial, but the wind tore it to shreds.

Soviet Bid to Crash Party Feud Seen

Afghan Regime Executes 3 Amin Aides

By Tyler Marshall

NEW DELHI, June 15 (LAT) — The Soviet-backed Marxist regime in Afghanistan has tried and executed three former Cabinet ministers, Kabul radio announced yesterday. All three men were loyal to President Hafizullah Amin, who was overthrown and killed when Soviet troops arrived in Kabul last December.

The executions of 10 other Amin loyalists had been announced last Sunday, and political analysts said that the executions signaled a Soviet attempt to crush increasingly serious factional feuding within the ruling People's Democratic Party of Afghanistan. Some experts believe the feuding has become as much a threat to President Babrak Karmal's government as the rebel insurgency.

In a broadcast monitored here, Kabul radio said that a special court had tried and executed former Planning Minister Mohammed Siddiq Alamyar, former Minister of Tribal Affairs Sahibjan Sahrayee, and former Minister of Communications Mohammed Zarif. It was unclear when and where the sentences were carried out.

One source described Alamyar as the brains behind Amin's brutal regime. He was executed for "creating a network of terrorist groups and killing thousands of innocent people in the province of Balkh," Kabul radio said.

All three men had held provincial governorships and were members of the Khalq (People's) faction of Afghanistan's ruling party.

The 10 previously executed were members of the same faction. After the military intervention, the Russians ousted Amin, also a Khalqi, in favor of Mr. Karmal, leader of the party's smaller, but reportedly more pro-Moscow, group known as Parcham (Flag).

The two factions temporarily healed their differences after the April, 1978, coup that brought the Marxists to power in Afghanistan.

But a few months after the People's Democratic Party assumed

control, Parchamite leaders, including Mr. Karmal, were outmaneuvered in the struggle for power. Leading Parchamites were first banished to East European embassies and later purged. Those returning home or remaining in Afghanistan were subject to imprisonment and torture.

Afghan specialists believe that a key element in the Soviet intervention strategy was to broaden the Marxist regime's base by forcing a reconciliation between the two factions.

Mr. Karmal was picked for the task, and under Soviet supervision, his Cabinet was selected to include

all elements of the party. But there was little willingness to forget past differences, political analysts believe.

In recent months, a number of reported incidents indicate that members of the Khalq faction were involved in attempts to undermine the Karmal regime.

After the February uprising in Kabul, a government inquiry resulted in the dismissal of nearly 100 Khalq army officers, who were charged with inflaming the rioters by ordering troops to fire into the crowds.

More recently, there have been numerous reports of growing resentment within the Khalq faction at the Soviet presence in the country. These reports have coincided with incidents of intra-party assassinations and shootouts.

There were also two unconfirmed reports recently of Khalq members of the Cabinet trying to launch a coup to topple Mr. Karmal. The attempts were said to have been suppressed by the Russians.

Rebels Say Russians Ambushed

PESHAWAR, Pakistan, June 15 (AP) — Afghan rebels ambushed a Soviet armored column in the hills of eastern Afghanistan, sparking a battle between thousands of men on each side that has left scores of casualties and is continuing, a rebel spokesman said here.

Abdul Akbarzai, a spokesman for the National Islamic Front of Afghanistan, said Friday that the battle had begun on Wednesday when Moslem rebels cut off the Soviet column as it tried to reach a besieged Afghan army garrison.

The guerrillas attacked from two sides of the Sulayman valley, about 34 miles from the Pakistani border, said the spokesman for the Peshawar-based insurgent group. He said 25 rebels were killed in the initial attack and he claimed Soviet forces suffered heavier losses.

Some local military experts were skeptical about the rebel claims, saying they doubted the guerrillas had the firepower or coordination for a sustained offensive.

PLO Called 'Arab SS'

Israel Condemns EEC Mideast Bid

By William Claiborne

JERUSALEM, June 15 (WP) — The Israeli Cabinet condemned the European Economic Community's declaration on the Middle East today, likening it to the 1938 surrender of the Sudetenland at Munich.

The Cabinet ministers also agreed that if the EEC attempts to send a fact-finding mission to the Middle East it will not be accepted in Israel, Cabinet sources said.

[The Palestine Liberation Organization, meanwhile, joined other hard-line Palestinian guerrilla groups and Syria today in rejecting the EEC's views on the Arab-Israeli conflict, United Press International reported from Damascus. The PLO, saying the EEC approach to the situation in the Middle East was in line with the Camp David peace plan, called on the Western European nations to free themselves from U.S. influence.]

Prime Minister Menachem Begin, in language that seemed unusually strong even for Israel's outspoken Cabinet, said the declaration adopted Friday by EEC leaders in Venice calls upon us and all other nations involved in the peace process to involve the Arab SS, called the Palestine Liberation Organization.

Mr. Begin noted that el-Fatah, the main arm of the PLO, declared at its recent annual meeting in Damascus that it intended to "liquidate the Zionist entity politically, economically, militarily, culturally and ideologically." Yet despite this statement, Mr. Begin said, "a number of European countries are prepared to give guarantees, even military ones" to assure peaceful coexistence.

"Must Shudder"

Talking with reporters after the weekly Cabinet meeting, the prime minister added, "Anyone with a memory must shudder, knowing the results of that guarantee given to Czechoslovakia in 1938 after Sudetenland was stolen from it."

Referring to the Fatah resolution, Mr. Begin said, "Since 'Mein Kampf' was written, no words were ever more explicit for all the world to hear. Europe included — on the striving to destroy the Jewish state and nation."

European leaders asserted in their declaration that the PLO would have to be associated with the Middle East negotiations, but they stressed that they were not recognizing the PLO. They also made clear that certain principles, such as Israel's right to exist and the Palestinians' right to self-determination, would have to apply to all parties, including the PLO.

Sources said that Mr. Begin wanted the Cabinet to be more specific in its criticism and mention by name France and Germany as liabilities to Middle East peace, but that Foreign Minister Yitzhak Shamir talked the prime minister out of the stronger language.

German Storms Kill 9

BERLIN, June 15 (UPI) — Thundereigns killed nine persons in East Germany and caused millions of marks in damage in the West last night and today, officials said.

Sources also said the Cabinet determined to refuse any EEC fact-finding mission access to Israel, on the basis that it would arrive with prejudged conceptions. But the sources said the Cabinet decided to withhold an announcement to that effect.

Last year, the government refused to allow a UN fact-finding mission to visit Israel to study settlements in the West Bank and Gaza Strip, saying the mission had been established by the UN Palestine committee and was dominated by unfriendly Arab nations. The committee visited Jordan and issued a report that led to the UN Security Council condemnation of Israeli settlements in the occupied territories.

Before the Cabinet met, Finance Minister Yigael Hurvitz walked out (Continued on Page 2, Col 2)



Menachem Begin

EEC Move Could Aid U.S. in Mideast Talks

By Joseph Fitchett

BONN, June 15 (IHT) — The European Economic Community's declaration on the Middle East has diplomatic ramifications well beyond the Israeli-Palestinian issue.

It is the most successful foreign policy compromise that the U.S. administration has been able to reach with its European allies since the Western alliance came under new strain after the Soviet intervention in Afghanistan. Amid the increasing risk in the wider Middle East region, the EEC policy could set the stage for improved Western coordination, diplomats say.

"The Venice outcome avoided a dangerous gap appearing between us and the Europeans, and it might even be helpful in U.S. efforts to get a settlement," a U.S. National Security Council official said during a visit to Bonn.

The Venice declaration formalized West European calls both for Palestinian self-determination and for a Palestine Liberation Organization role in the process. It criticized Israel for hindering the hopes for peace by permitting Jewish settlements in occupied territory. But the EEC steered away from mentioning a Palestinian state, an exclusive PLO role or a new UN resolution — in short, any recommendation in direct conflict with the U.S.-arranged Israeli-Egyptian talks on Palestinian autonomy, which are deadlocked.

Many commentators had expected a more ambitious EEC initiative but the Venice declaration — which falls short of an initiative for the moment — headed U.S. pleas for restraint. European diplomats now will start exploring possible formulas to bring about direct discussions between the Israelis and the Palestinians, but several of them said that no public breakthrough was expected this year.

The immediate effect of European diplomacy, European officials said, (Continued on Page 2, Col. 1)

France Said to Give Britain Protest Over New Hebrides

By Peter O'Loughlin

VILA, New Hebrides, June 15 (AP) — France today handed Britain a strongly worded memorandum protesting the arrival of British commandos in politically troubled New Hebrides, reliable sources said.

Neither British nor French officials would comment on the memorandum, which will be completed July 30, when the New Hebrides gets full independence.

Emergency Measure

The note said that under no circumstances would France consider signing a law putting into effect a state of emergency in the country, which has been unsettled by insurrections on two main islands.

France would not agree to any measure conferring on British forces the right to take action in the capital, Vila, or anywhere else in the 72-island archipelago, the note was reported to have said.

France was prepared to sign a special law allowing the New Hebrides government to give France and Britain powers over radio broadcasting, external and internal communications and police so they could function normally, the sources said.

All official communications have been cut with the rebellious predominantly French-speaking island of Espiritu Santo, where tribal chieftain Jimmy Stevens took control and declared an independent republic on May 28.

Britain has sent 200 Royal Marines to Vila at the request of the government. The first four plane-loads of men and equipment arrived today. Their arrival followed the deployment Wednesday of 55 French gendarmes, who were withdrawn a day later.

Andorra's Political Status Paralyzes Reform

By James M. Markham

ANDORRA (NYT) — The principality of Andorra has in two decades rocketed from bucolic poverty to fabulous wealth, and in the process it has ruined its splendid mountain setting with urban sprawl and possibly has jeopardized its 700-year history of limited sovereignty.

Andorra's duty-free and virtually law-free status has been the reason for its prosperity. Cheap electronic gadgetry, video cassettes, pocket computers, Chivas Regal, French cheeses, Pierre Cardin styles and other discounted luxury items each year draw more than 7 million tourists, 4 million of them Spaniards, up its narrow valley between France and Spain.

Co-Princes

Seven unregulated, secretive Andorran banks have pumped millions of dollars into a spectacular building boom, and they launder Spanish pesos moving to Switzerland and northern European currencies on their way to the Bahamas or other financial havens. Real-estate speculation, which made the initial fortunes of many of the principality's 3,000 citizens, is such that land values are measured by the palm of the hand; a "square palm" in the capital runs to \$70.

Duty-Free Principality Exhibits Fabulous Wealth, Urban Sprawl

Since 1278, when the count of Foix in France and the bishop of Urgel in Spain ended years of violent feuding by agreeing to guarantee Andorra's neutrality, the principality has had unique jurisdiction. It is a state, but its two co-princes, who today are the bishop and President Valery Giscard d'Estaing of France, control the judiciary and the 45-member police force, and can veto decisions of Andorra's elected 28-member General Council of the Valleys.

This peculiar arrangement kept Andorra's 190 square miles removed from the turmoil and wars of the last few centuries, but today it has led to political paralysis and an economic pause.

"We don't believe in the Andorra of the bazaar, which is today 100 percent of the country," said Jean Samarra, the 40-year-old mayor of Andorra. "This is an ultracapitalist economy and an ultraconservative state, and this cannot last forever. I do not think there is another country in the world that has developed as brutally and quickly as Andorra."

Mr. Samarra and others want to remove what they say is the heavy hand of the co-princes, re-fashion a parish-based system of voting that overrepresents conservative rural areas, and give Andorra a strong, directly elected executive and some laws.

Clamish Politics

The state has no penal code, no land register, no legislation regulating banks or foreign-owned companies and no customs service, and it sends its felons to jail in France or Spain. But proposals for change have run up against an ancient, clamish system of politics, and a splintering of authority between the council, the bishop of Urgel and France.

At Government House, Estanislau Sangra Font, 52, chief executive of the principality, insisted that the council was studying various reforms, some of which have been languishing for years.

Spain's eventual entry into the European Economic Community will cut the price advantage enjoyed by merchants, and Andorrans say that their politicians are caught between a perception of a

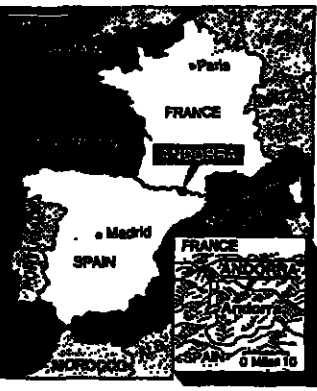
need for reform and the hope that they can continue to prosper as things are. "The government is only interested in things that are profitable," a resident said.

Andorra's social security fund, which is reportedly invested in Switzerland, makes a profit because most of the 18,000 Spaniards working in the nation are too young to draw benefits from it. Fearful of being swamped by outsiders the authorities have made it extremely difficult to establish legal residence, and foreign workers can be summarily dismissed with meager compensation. "We do not use the word 'union' here," whispered a Catalanian from Barcelona who has attempted to organize outside workers. "That is a very dangerous word."

Working Currencies

Andorra's working currencies are the Spanish peseta and the French franc. Madrid and Paris subsidize the nation's two main schools, where the Catalanian-speaking Andorrans are taught in Spanish and French. Only in the last two years has a church-run school opened that teaches in Catalan.

According to French customs officials, Andorra last year imported \$840 million in goods from the EEC, the United States



NTT

and Asia. An Andorran official acknowledged that many imported goods were not counted by customs, but what is certain is that the outward flow is overwhelmingly toward Spain.

On weekends, about 7,000 cars and 200 buses form long traffic jams at the Spanish frontier as a half-dozen paramilitary civil guards perform perfunctory customs searches.

A foreign businessman who has lived in Andorra many years summed up the philosophy of the place: "You can get away with anything as long as you are not seen to be doing it. Since nothing is illegal, everything is legal."

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Leaders Meet This Week to Discuss Mideast

Carter to Press Hussein to Join Talks

By John M. Goshko

WASHINGTON, June 15 (UPI) — President Carter plans to "use all the persuasive power that I have" to induce King Hussein of Jordan to join the Mideast peace talks when the two meet in Washington this week, the White House has revealed.

Mr. Carter made the promise in

an interview Friday with representatives of American Jewish newspapers. The text of the interview was made public yesterday.

To the disappointment of the United States, King Hussein has kept aloof from the U.S.-mediated Egyptian-Israeli negotiations on Palestinian autonomy. When the king visits for talks with Mr. Carter and other administration officials

Tuesday and Wednesday, Mr. Carter intends to bring up the call in the Camp David accords for Jordan to join with Israel and the Palestinians in determining the eventual status of the Israeli-occupied West Bank and Gaza Strip.

"I will certainly encourage King Hussein to join in these talks as soon as it's possible for him to agree to do so," Mr. Carter said. "His position has not been one of cooperation on the Camp David accords so far. One of the reasons that he states is that he was not adequately consulted before the terms of the Camp David accords were reached."

But this will be the first time I've met personally with King Hussein since Camp David, and I'll use all the persuasive power that I have to encourage him to be constructive in bringing about a comprehensive peace."

Need for Progress

The president also cited the need for progress on the current phase of the Camp David process: the attempt by Egypt and Israel to work out a five-year interim accord on limited self-government for the Palestinian inhabitants of the occupied territories. The chief negotiators — Interior Minister Yosef Burg of Israel, Defense Minister Kamal Hassanein of Egypt and U.S. special envoy Sol Linowitz — will meet in Washington July 2 and 3 in an effort to revive the deadlocked talks.

Mr. Carter said the lack of movement in the autonomy talks was the principal reason that the nine-nation European Economic Community issued a statement in Venice on Friday calling for the Palestine Liberation Organization to be associated in some way with the Mideast peace process.

In regard to the most controversial issue in the talks — the insistence of Prime Minister Menachem Begin's government on establishing Jewish settlements in the occupied territories — Mr. Carter repeated that the United States remains firmly opposed to Israeli policy.



Thousands of peasants, with their ox carts, from the Battambang and Siem Reap areas of western Cambodia await distribution of rice seeds by the Catholic Relief Services at Nong Chan.

Vietnam's Objections Seen Responsible

UN Delays Move of Refugees to Cambodia

By Henry Kamm

BANGKOK, June 15 (NYT) — A mass repatriation of Cambodian refugees from Thailand, scheduled to begin tomorrow, has been indefinitely postponed at the request of the office of the United Nations High Commissioner for Refugees, the commissioner's regional office here announced today.

Informed diplomats suggested that the postponement was connected with a visit to Hanoi by the regional representative of the UN body, Zia Rivzi. Mr. Rivzi could not be reached for comment because, returning from Hanoi via Vietnam, he was briefly delayed by Thai immigration authorities and missed his plane from the Thai provincial town of Udorn to Bangkok.

The planned repatriation has been bitterly condemned by Hanoi and the pro-Vietnamese Cambodian government as a Thai, Chinese and U.S. plot to bolster the anti-Pol Pot forces active near Cambodia's border with Thailand. It was assumed by knowledgeable diplomats that Hanoi strongly put its objections to Mr. Rivzi, causing him to hold up the move.

Relief agencies and refugee workers have also expressed concern about the planned repatriation, which corresponds with the wishes of Thai authorities who are fearful that the presence of about 160,000 Cambodians in refugee holding centers threatens to become long-lasting.

Two Concerns

The international groups are worried on two grounds: One is concern that Cambodia, still in the throes of warfare and famine, is incapable of providing basic security and minimal welfare for refugees returning there. Amid the confusion and the many conflicting reports reaching the refugee camps, it is doubtful that the refugees choosing to return would do so with a full understanding of the hardships awaiting them.

The other cause for widespread concern is the question of how voluntary repatriation would be. In one camp, Sakao, which shelters about 20,000 Cambodians, the dominant group is a nucleus of faithful and militant followers of the regime of the deposed premier, Pol Pot.

Despite an international presence, it is taken for granted that the Pol Pot group has retreated at Sakao conditions similar to the deposed premier's reign in Cambodia. The Pol Pot elements have intimidated the majority of camp inmates and guaranteeing that freedom of

choice for those wishing to liberate themselves from the group's control is expected to be a difficult task.

The Pol Pot leadership wants to return to participate in the struggle against the Vietnamese occupation army, and the anti-Pol Pot refugees in the camp are fearful of being dragged along against their will.

Camp in Middle

The largest refugee camp, Khao I Dang, where about 135,000 Cambodians are living, largely contains

anti-Pol Pot and anti-Vietnamese refugees.

Those among them who want to return, believed to be a small minority, want to do so to rejoin their families still in Cambodia or outside the Thai border. Others are fearful that the Thai authorities may make efforts to persuade them to return.

UN officials hope that the safeguards to assure the voluntary nature of any movement that they have arranged with the local Thai military will be fully applied.

Ex-General's Call to Rearm Spurs Japan Election Issue

By Henry Scott Stokes

TOKYO, June 15 (NYT) — Hiroomi Kurisu, former chairman of the Japanese Joint Chiefs of Staff, is running for the Diet (parliament) in next Sunday's general election on a one-plank platform of rearmament.

"There's nothing to fear," Mr. Kurisu said in a speech the other

day, "Japan will never become a military power again."

"After all, just look at how much we spend on defense," said the former general, who has a penchant for statistics. "Japan's total arms output is equivalent to only 0.37 percent of GNP."

Defense is the one issue that separates parties — and sometimes also candidates within a party — in the election, which may help to determine the rate at which Japan rears in the 1980s.

All parties, from the governing Liberal Democrats to the Communists, agree that the economy needs a boost. There is also general agreement that something must be done about the educational system, which subjects high school students to competitive university examinations that drive a small minority to suicide.

Party Support

Mr. Kurisu is fighting his first campaign for the upper house of the Diet as a Democratic Socialist, and party leader Ryosaku Sasaki has fully backed Mr. Kurisu's candidacy.

Mr. Kurisu believes that arms expenditures should be increased to meet a supposed Soviet threat to Japanese security. Japan spends less than 1 percent of its gross national product on defense, compared with 3 to 6 percent in the Western industrial democracies, according to the official Defense Agency.

"We have to make our contribution to world peace," said Mr. Kurisu, who was dismissed as chairman of the Joint Chiefs two years ago for advocating emergency powers for the military. He argued that the army must have the right to strike back at once if attacked, without prior approval from the premier, who is the commander in chief.

Position Attacked

In the Tokyo constituency where he is running, most candidates have attacked Mr. Kurisu's platform.

Tokuuma Utsumiya, who was for many years a leftist Liberal Democrat but who is running against Mr. Kurisu as an independent, said that backing from the small New Liberal Club, opposes a higher defense budget.

Kiyomasa Kato of the Socialist Party, which opposes the security pact with the United States that gives Japan its only strategic defense, said: "Spending more on defense will just make life harder for ordinary people."

"Even the Liberal Democrats wouldn't take him on as a candidate," said Koichiro Ueda, candidate of the Communist Party. "He's just too much of a hawk."

The governing party backs Ken Yasui, speaker of the upper house whose views reflect the party line although he is an independent. "We have our security treaty with the United States," he said, "but we have to do our share in defense too."

Soviet Rights Abuses Protested in Paris

PARIS, June 15 (AP) — About 300 French intellectuals and Soviet dissidents staged a footrace around the Soviet Embassy here today to protest human rights violations in the Soviet Union.

Soviet dissident Vladimir Bukovski — who was joined in the protest by playwright Eugene Ionesco, philosopher-journalist Raymond Aron, philosopher Bernard Henri-Lévy and fellow dissident Edward Koudriatsev among others — placed a wreath dedicated to the spirit of the Olympic Games in front of the embassy. The Olympics will be held this summer in Moscow.

WORLD NEWS BRIEF

India Arrests 1,400 After Rioting in Tripura

NEW DELHI, June 15 (UPI) — Troops and police have arrested persons in the northeastern state of Tripura where hundreds died in long ethnic riots, officials in the state capital of Agartala said yesterday.

Paramilitary forces are combing the countryside to flush out tribesmen spearheading a movement to evict Bengali settlers from the state, the officials said. The tribesmen claim that their native cult being eroded by the immigrants from Bangladesh, who outnumber the population.

The officials said that 315 persons died in the clashes. The state newspaper, quoting official sources in Agartala, said that an estimated 1,000 persons were killed, more than 500 injured and about 150,000 homeless during the disturbances which flared up June 6.

Morocco to Fight OAU Admission of Polisario

NAIROBI, June 15 (Reuters) — The issue of recognition for the Western Sahara Polisario Front, firmly opposed by Morocco, is expected to dominate the annual meeting of the Organization of African Unity, which begins Wednesday in Freetown, Sierra Leone, Western diplomats said here.

The meeting will involve a ministerial session followed by a summit at the beginning of July.

The Algeria-backed Polisario guerrillas, who are fighting for the independence of the Moroccan-controlled Western Sahara, claim the status of almost half the OAU's 50 members for the admission of the group they have proclaimed. The OAU charter says admission shall be simple majority of member states in the council of ministers, but Morocco is expected to argue that, because the Polisario does not represent a sign state, the issue must be referred to the heads of state, where a two-thirds majority would be required.

9 Nuclear Foes Held in Ship Raid in Belgium

ZEEBRUGGE, Belgium, June 15 (AP) — Nine persons were arrested after anti-nuclear protesters boarded a Dutch freighter here early and destroyed communications equipment aboard the vessel, which was scheduled to dump a cargo of radioactive waste into the Atlantic Ocean.

Officials said that five protesters armed with iron bars had boarded the 1,599-ton *Andrea Smits* and ruined the ship's automatic radar and radio equipment. Damage was estimated at about \$667,000.

During the incident, the protesters fought a brief battle with men of the crew and police officers guarding the ship. Four policemen and the attackers were injured. Later in the day, police arrested four persons. All were said to belong to a Brussels-based, French-speaking nuclear group.

Spain Sets Conditions for NATO Membership

MADRID, June 15 (UPI) — Foreign Minister Marcelino Oreja today said that Spain will apply for membership in NATO, possibly in 1981, but he conditioned the move on Britain's return of Gibraltar and its admission on schedule into the Common Market.

In a weekend dinner with foreign journalists and a Sunday interview with the newspaper *El Pais*, Mr. Oreja also said that he would begin on renewing U.S. base facilities in Spain before the November presidential elections in the United States. The facilities treaty expires in 1981.

Stressing Spain's total commitment to Europe, Mr. Oreja said, "A of European solidarity toward Spain would not allow our country to the Western defense organization. It would be absurd to think that I could join NATO if Europe did not support us in matters vital to us."

Volcanic Ash Causes Oregon Pollution Alert

PORTLAND, Ore., June 15 (UPI) — Volcanic ash raised by wind vehicles led to a pollution alert in northwestern Oregon yesterday, police advised motorists to stay off two highways from Portland to the Pacific Ocean because of poor visibility and slippery, wet ash in the rain.

The ash fallout from Mount St. Helens contributed to two fatal accidents in the Portland area, police said, and Mayor Connie McGinn imposed a 15-mph speed limit in an effort to reduce the amount of ash on the roads.

The ash blanketed northwestern Oregon late Thursday night and Friday. Heavy rain on Friday reduced problems, but the showers of early yesterday and by afternoon much of it had dried.

Switzerland Backs Nuclear Sale to Argentina

BERN, June 15 (Reuters) — A Swiss engineering firm has received a permit to export a heavy-water plant worth about \$30 million to Argentina, the Transport and Power Ministry said.

It said that the Buenos Aires government had assured that Argentina would not try to develop nuclear weapons from the plant, ed technology or the heavy water produced — which is to be used in nuclear power plants. Sulzer Brothers of Winterthur had signed the deal with Argentina in March.

The United States was reported to have expressed fears that the guards against nuclear weapons proliferation attached to the sale would be too strict, but the announcement yesterday said that Argentina had the Swiss that it would allow inspectors from the International Atomic Energy Agency to check that the plant was being used exclusively for peaceful purposes.

Secret Report Says Poland Faces Deep National Crisis

(Continued from Page 1)

we have in our country is, in the first place, of social and political character."

Among the causes cited are a feeling that the system is incompetent, out of control and layered with bureaucracy; a total lack of belief in the government and news media; suspicions toward the Soviet Union exacerbated by "servile, insulating" propaganda; a scarcity of meat and inequality in various aspects of social life, including career advancement, legal protection and the award of such perquisites as villas and limousines to high party officials.

Of the government, the report says "the loss of credibility is more dangerous than the lack of popularity." Distrust of the press is described as "bordering on the neurotic."

The report outlines general and specific suggestions "to the trust of society and red creative instincts," which, it says, make clear, the government's inability to do so.

They include an acknowledgment that the country is in dire need of a new political system, open discussion of problems, equal relationship with the Union, concessions to the agrarian reform, a strong parliament, honest elections, elimination of privileges.

French, Iranians Achieve Accord On Consortium

PARIS, June 15 (Reuters) —

France and Iran have reached a framework agreement to settle their dispute over Iranian participation in the Eurodif uranium enrichment consortium, Iranian delegation sources said today.

The sources did not disclose financial details of the agreement but said that, under the new accord, Iran would continue to purchase a reduced amount of enriched uranium from the Eurodif plant in Tricastin, southern France, and would retain its full share in the consortium's capital.

The dispute began last year when Iran announced a substantial reduction of its nuclear program. The government of the deposed shah had planned to build 40 nuclear power plants, including at least 10 fueled by Eurodif.

In Tehran, meanwhile, published reports indicated that at least 16 persons had been executed in Iran during the past two days for a variety of offenses, including drug charges.

rotic" — so deep that "even the news is not believed."

The government seems to have three options, the report says, can continue the status quo, tackle the economic problems, hope it can somehow improve the situation or it can impose "a hard hand" to eradicate criticism: one of the three, the report would be likely to lead to "a total collapse."

Such conflict might not only take the form of worker strikes in 1956, 1970 and 1976, but appear in such "new and unidentifiable conditions" as waves of strikes, a breakdown of the economy, a loss of production and a loss of interest.

The report outlines general and specific suggestions "to the trust of society and red creative instincts," which, it says, make clear, the government's inability to do so.

They include an acknowledgment that the country is in dire need of a new political system, open discussion of problems, equal relationship with the Union, concessions to the agrarian reform, a strong parliament, honest elections, elimination of privileges.

Soviet Poet G. 12-Year Sentence

MOSCOW, June 15 (AP) —

for Nekipelov, a poet and a member of the Moscow "Helsinki" rights group, has been sentenced to 12 years in a labor camp for his role in the anti-Soviet agitation and propaganda, dissident sources reported today.

Mr. Nekipelov, 52, a physicist by profession, is known in the Soviet Union for his writing and his active role in the Helsinki rights group set up to monitor the Soviet Union's compliance with the 1975 Helsinki accords, most of whose leaders have been jailed. Nekipelov was arrested on Dec. 7 and was sentenced to 12 years in a labor camp.

EEC Action Could Help Carter in Mideast Efforts

(Continued from Page 1)

will be to prevent a negotiating vacuum in the Middle East peace consultations, to step up pressure on Israel for moderation and to encourage the moderate factions of the PLO.

The Europeans' most urgent goal is to prevent the negotiating vacuum while the Carter administration is busy with the U.S. presidential election.

Increasing frustration among Palestinians and moderate Arab governments could threaten Western oil supplies. European policymakers also are motivated by wider geopolitical concerns. "Trying to mobilize Arab and Moslem support on Iran and Afghanistan and against Soviet expansionism," a top West German official said, "we cannot succeed unless we give something to Arabs and Moslems on the main issues they care about: the Palestinians and Jerusalem."

European View

His comment reflected a fundamental European analysis that Western interests in the Middle East can best be defended against internal instability and the Soviet threat if the West removes the Palestinian grievance. U.S. policy, in contrast, traditionally has held the view that Israel, as a pro-Western military bastion, could deter Soviet military pressure on the Middle East.

Anxious to reassure Arab opinion about European sympathy on the need for an Israeli solution, European governments publicly expressed their growing irritation with the Israeli government and with the apparent inability of the United States to restrain Prime Minister Menachem Begin.

A West German policy-maker said: "Somebody has got to tell the Israelis, and Jewish opinion, that many of their policies, notably the settlements, are unhelpful." He added: "If America cannot do it, Europe will have to."

Although officials are reluctant to discuss it, the Europeans plan closer contacts with Mr. Begin's political opposition, the Israeli Labor Party, probably through European Social Democratic parties. This reflects a growing European belief that Mr. Begin is incapable of reasonable compromise. Similarly, Egypt's main political party will gain an observer status this week in the Socialist International, an organization where it can have direct contacts with the Israeli Labor Party. Egypt's government can only deal officially with Mr. Begin's government.

Diplomatic Points

The Palestinians — and the PLO — scored diplomatic points in the Venice declaration but they gained few practical benefits. The PLO already had official contacts with West European governments, and most European governments had recognized the Palestinians' right to self-determination.

The Europeans' collective reaffirmation of these points, however, was timely for PLO leader Yasser Arafat. Lacking any guarantees of eventual Israeli concessions, Mr. Arafat's organization remains split. PLO hard-liners imposed a recent policy statement calling for Israel's destruction but Mr. Arafat succeeded at the same meeting in packing the leadership with his own followers, who are believed to want to negotiate a settlement with Israel.

West European interest is expected to reinforce Mr. Arafat's commitment to diplomacy rather than terrorism, and to help counter the influence of the Soviet Union in the PLO in the coming months.

A main goal of European diplomatic contacts with the PLO, planned under the Venice declaration, will be to seek language enabling the PLO to recognize Israel, a precondition for strong support from European governments or the United States.

The obstacles to achieving this PLO concession were one reason why the European statement, as adopted, was watered down. The United States, Egypt and Israel all had lobbied against any European move that might weaken the diplomatic pressure on the PLO to recognize Israel, diplomats say.

Egypt argued that any step undermining the Camp David peace agreements might allow Israel to delay indefinitely in joining any new peace talks, thus worsening Middle East tensions. The Carter administration also applied maximum diplomatic pressure against a European challenge to the Camp David peace formula, which President Carter regards as his chief foreign policy achievement, in an election year.

As a result, Europe refrained from the moves that had been widely predicted by British and French commentators. The EEC shelved ideas for modifying UN Security Council Resolution 242 — which calls for Israeli withdrawal from occupied areas but does not propose Palestinian self-determination — or recognizing the PLO as the Palestinians' sole spokesman or calling for a Palestinian state.

In return, European officials say, they expect more U.S. appreciation for the need to work with the Arabs to bolster the Western position in the Middle East.

Israel Strongly Condemns EEC Middle East Initiative

(Continued from Page 1)

of a meeting with Mr. Begin and did not attend the ministers' regular session. Israeli radio reported tonight that the two had argued over Mr. Hurvitz's requested budget cuts for the Defense Ministry, which Mr. Begin now heads. They were expected to meet again tomorrow.

UN Sanctions Urged

DAMASCUS, June 15 (UPI) — The PLO joined other hard-line Palestinian guerrilla groups and Syria today in rejecting the EEC statement. In Beirut, an Arab League official dismissed the EEC declaration as "inadequate and insufficient" and said the Arabs will now turn to the UN General Assembly to seek sanctions against Israel — and possibly Israel's expulsion from the world body.

The PLO's Executive Committee met through last night under the chairmanship of Yasser Arafat, and in a statement issued today rejected the EEC's approach on Middle East peace.

"The PLO rejects the EEC communiqué," a PLO spokesman told reporters. The PLO statement called on Western Europe to "adopt a more independent attitude toward the rights of the Palestinian people."

Clovis Maksoud, who heads the Arab League mission in the United States and is the league's permanent

Bern, Bonn Link Highway Systems

BASEL, Switzerland, June 15 (AP) — The highway networks of West Germany and Switzerland were linked with the formal opening this weekend of a road section and customs station at Weil-am-Rhein north of Basel.

Built at a cost of 262 million Swiss francs (about \$162.3 million) — the Swiss part was 175 million francs (about \$108.4 million) — the installation allows motorists from northern West Germany to drive to central Switzerland without leaving the expressways.

U.S. Still Hopeful

WASHINGTON, June 15 (NYT) — Secretary of State Edmund Muskie said the EEC statement on the Middle East did not seem to jeopardize the United States' hopes of making progress in the negotiations with Egypt and Israel on Palestinian self-rule.

Mr. Muskie said Friday that as far as the United States was concerned, there would be no change in its five-year-old commitment to Israel to have no dealings with the PLO until it accepted UN Security Council Resolution 242 of 1967, which recognizes Israel's right to exist.

"We're not trying to keep the PLO out," Mr. Muskie said. "We're trying to make clear to the PLO that until it changes its position with regard to Resolution 242, which it has never supported, and recognizes Israel's right to exist, we will not deal with it."

Ottawa Chafes at Inaction on Fish Pact

Dispute Strains Canada-U.S. Relations

By Henry Giniger

OTTAWA, June 15 (NYT) — A dispute over scallops and other marine matters is prompting Canada to consider ways not to cooperate with the United States and, closest ally, the United States.

The principal contention is a fisheries treaty, which was signed more than a year ago after laborious negotiations and is now languishing in the Senate Foreign Relations Committee, with poor prospects of early approval.

Mark MacGuigan, Canada's secretary of state for external affairs, indicated in an recent interview how annoyed Ottawa is by the U.S. failure to follow through on what was a difficult compromise between U.S. and Canadian fishing interests.

"The fisheries issue is not only the most serious bilateral issue we have with the United States," he said. "It is the most serious bilateral issue we have with any country."

Diplomats familiar with the discussions between the two neighbors on a vast range of issues have noted how the fisheries problem is beginning to affect relations in general, with Canadian representatives frequently injecting it into discussions on other topics.

Linkage of Issues

"It's pretty hard for there not to be linkage of issues on something of this kind," Mr. MacGuigan said. "I will not speculate any further as to possible linkages at this time but there are likely to be linkages."

Asked whether the linkages would involve matters on which

Washington sought Ottawa's support, the secretary said, "That would be the only effective kind of linkage."

Traditionally the two countries have avoided linking unrelated issues as a way of applying pressure on each other, so the minister's reference to linkage appeared to represent an unusual threat. Items of operation under discussion concern a gas pipeline, measures to halt acid rain, a pact on auto imports and exports, and a dispute on the West Coast over the desire of U.S. fishing fleets to catch tuna in Canadian waters.

Canada has lined up behind the United States on the boycott of the Moscow Olympics and on economic sanctions against Iran, but it is pointed out that Washington frequently calls for support from Canada and other allies on world problems.

Outspoken Criticism

Mr. MacGuigan, a 49-year-old lawyer who was appointed to his first Cabinet post in February after spending 12 years on the Liberal backbenches in the House of Commons, recently caused a stir here with outspoken criticism of the United States on other matters, alleging a lack of consultation and coordination on world issues.

The strains between Ottawa and Washington contrast sharply with the euphoria of a few months ago, when the Canadian Embassy in Tehran spirited six U.S. diplomats from the country. An outpouring of American gratitude toward Canada

Minor-League Mideast Game

As a declaration of independence from American diplomacy in the Middle East, the European allies' pronouncement in Venice Friday was merely pathetic. No self-evident truths, no decent respect for the opinions of mankind, no pledge of mutual fortunes and honor. Just a petulant cry that Europe wants to play big-league power, too, and a cramped call for a "comprehensive" solution, their code language for a denunciation of Camp David. The Europeans did not even have the decency to mention, let alone analyze, that one solid achievement in the region so far.

As a declaration of strategic purpose, their doctrine was absurd. The essence of the conflict, the agonizing tension between Israeli security and Palestinian rights, was simply asserted to be reconcilable. The anti-Israeli majority of the United Nations was put forward as a reliable guarantor of the peace. And the Palestine Liberation Organization, which only last week recommitted itself to the destruction of all Israel ("complete liberation of Palestine, the liquidation of the Zionist entity"), was promised a central seat at the negotiations and an early interview by Europeans as they design their "initiative."

Any aware political amateur could have composed a more honest, and more understandable, statement of European purpose: We need oil and Arab trade so badly that we cannot wait any longer for America, Israel and Egypt to turn their partial peace into a broader settlement; the Arab radicals and PLO terrorists — abetted by the policies of the Begin government — have kept the West Bank boiling and the autonomy negotiations

stalled; so we hope that by granting the Palestinians a state in the entire West Bank and Gaza, we will somehow persuade them to accept Israel. Even if it doesn't work, the Arabs will think better of Western Europe and treat it kindly.

That would be honest and understandable, but still very damaging. The West Bank is not Europe's or America's to cede — not for all the oil and trade in Arab. Seized by Israel in a war ignited by Arabs, it is validly claimed by both. Wise Israelis, probably including the next (Labor) government, do not want to colonize the region's million Palestinians. Through the force of American diplomacy and the promise of American military aid, they may be brought to relinquish much of that troubled territory.

But Israel will never be brought to such risky undertakings by nations that scorn the peacemaking of Anwar Sadat and use their influence to reward terrorism. The Israelis will never heed even the United States if America's own conflicted Middle East diplomacy comes to be seen as driven largely by rebellious Western allies. Pressure on Israel will succeed only if those who apply it have also earned Israel's trust and demonstrate a deep concern for something more than their own convenience.

Any small nation can assert self-interest. Big-league diplomacy requires merging self-interest with the interests of diverse peoples, and notably those who have the power to end the unwanted conflict.

THE NEW YORK TIMES.

Mr. Sadegh's Complaint

Abol Ghassem Sadegh, director of the foreign press department of Iran's Ministry of National Guidance, complained the other day that American correspondents were concentrating their coverage on the hostage situation. That issue, he said, "is for us like one degree in a circle of 360 degrees. But the Americans have shown that in order to safeguard their interests they choose to ignore 359 degrees of the circle and fix their glare on the one degree of the hostages." Mr. Sadegh's remedy has been characteristically revolutionary: to cut down the American press corps in Tehran — it now stands at only two.

Actually, his complaint is silly. At least in the weeks since the failed rescue mission, the hostages have not been at the center of American press coverage. Perhaps they should have been, but they have not. One reason is that the hostages appear to have been dispersed, a step removing the Tehran embassy as a news focus, and another is that coverage has accurately reflected the greater surface passivity of American policy since the rescue effort. While the administration was actively gearing up in its different ways to pressure or cajole or negotiate the release of the hostages, the press reported the effort. But now the administration seems to believe any release will be made more likely by removing its own efforts and anxieties from the international spotlight, not incidentally diminishing the worldwide attention the captors have so relished and exploited. And the press, consequently, has a less visible story to cover.

If Mr. Sadegh nonetheless still feels op-

pressed by American journalistic concern with the hostages, then we have the perfect solution for him: Release them. That would put an end to his grievance and to those of the United States as well. But this logic eludes Mr. Sadegh. He is caught in an inconsistency: He evidently supports the continued holding of the hostages for whatever value their captivity may have to his clerical-conservative faction in Iran's tightening internal power struggle, even while he hopes to avoid paying the costs that flow from that continuing captivity. His faction seems torn between feeling that the press represents the very foreign corruption the Iranian revolution was made to oppose and that it represents a necessary and useful connection to help sustain the revolution — otherwise, one would not so much complain about the foreign press as simply close it down completely.

But we are not the only ones troubled by the attitudes expressed by Mr. Sadegh. Ayatollah Khomeini unburdened himself the other day of the surprising judgment that the revolution should cut through its self-generated static by choosing a prime minister, disposing of the hostage question and getting on to other questions. On this occasion at least, the ayatollah did not bother alleging that the vexatious foreign press was not properly serving the revolution. On the contrary, he seemed to be saying that the problem was of the revolution's own making. In this part of his analysis he was completely right.

THE WASHINGTON POST.

International Opinion

Venice Summit

At best, the EEC's diplomacy could mark a real move toward a peace settlement while the imminent American presidential election hamstringing any more vigorous pressure on the Israelis from Washington. At worst, it may help maintain the attachment of the more moderate Arab states to the West — a support that is severely practical as OPEC prices quiver upward. President Carter is unlikely to welcome publicly the European "contact," but privately he may see the policy as a useful division of labor within the Western alliance.

— From the Guardian (London).

At the twilight of a seven years marked by Giscard's wish to make France the beacon of Europe, a dream has just been broken. For the reassuring declarations, the diplomatic euphemisms and the restatements of practice will change nothing of the reality: President Giscard d'Estaing appears to be the big loser of the European summit of Venice.

— From the Quotidien de Paris.

For the first time, the leaders of the [European] Community have affirmed the role of speaker for [Yasser] Arafat's organization in the peace negotiations . . . The nine, with-

out departing from the most diplomatic language, wished to make Jimmy Carter understand that he can not convince them the moon is made of green cheese."

— From Le Matin (Paris).

It is a wishy-washy statement, which reflected the success of the Camp David group to dissuade Europe from taking its promised initiative.

— From Al-Fajr (Dubai, United Arab Emirates).

While drafting the declaration, the European countries must have been saying to themselves: Why should we differ with Washington while the Arabs are a spent force . . . Why should Europe be in conflict with the United States while we [the Arabs], or some of us, give the U.S. bases or military facilities, fight its wars in its areas of influence and volunteer to serve its interests even in Europe?

— From Al-Rai Al-Aam (Kuwait).

It is on only such a basis — the inclusion of the PLO in talks and the premise that Palestine must be returned to the Palestinians — that there is any hope of success of peace in the Middle East.

— From the Gulf Daily News (Bahrain).

In the International Edition

Seventy-Five Years Ago

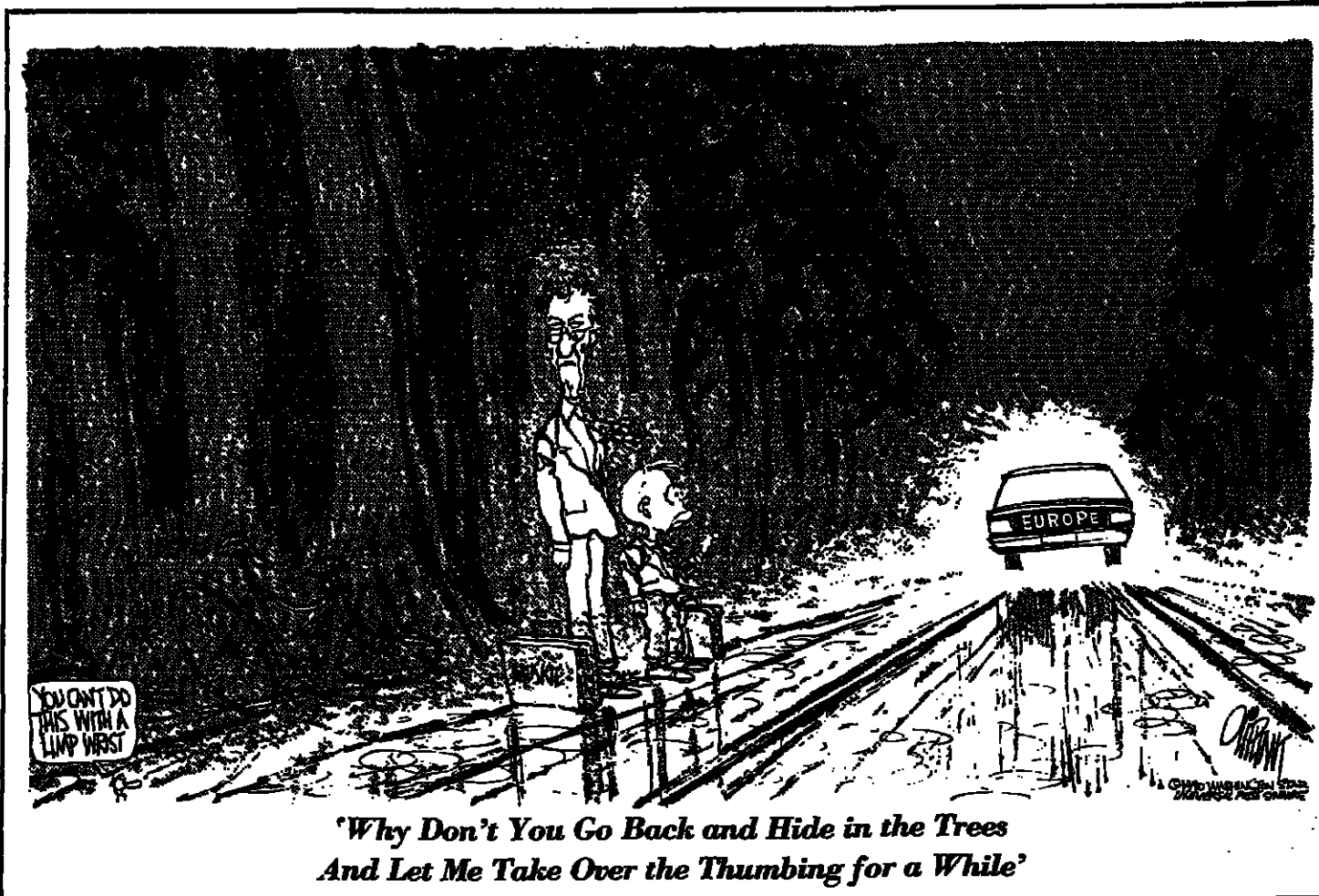
June 16, 1905

VIENNA — The Archduke Josef died on Tuesday at Fiume, aged 72. He was the most popular of all the archdukes, especially among the Hungarians, and, after the Emperor Franz Josef, the wealthiest member of the House of Hapsburg. He owned large estates in Hungary, and his chief residence there was his favorite country seat. He was the honorary chief of all the fire brigades in Hungary. The Archduke, one of the few Europeans who could speak the various dialects of the Romyany fluently, was perhaps best known for his studies of the customs and languages of the Gypsies. As soon as it became known that he had arrived at his castle, Gypsies used to flock together to visit their friend and protector.

Fifty Years Ago

June 16, 1930

WASHINGTON — Amid scenes of wild enthusiasm, administration forces in the House stamped the Smoot-Hawley tariff bill through today by a majority of 69 votes, despite warnings that the bill's passage would ruin foreign trade. Rep. David O'Connell, D-N.Y., charged that the bill was replete with "unreasonable and extortionate rates upon already overburdened people and raised the load by 20 percent." The great Pennsylvania industrialists alone favored the measure, he added. The proponents calculate that the tariff bill will increase import revenues by \$107 million. Treasury officials, however, are said privately to disbelieve that the revenue will be augmented, but forecast that imports will be reduced.



The Dream and Reality of Europe's Role

By Flora Lewis

VENICE — Having patched together a compromise after their fight over European Community funds, Common Market leaders were able to turn outward again last week and prepare for European participation in the meeting next Sunday of Western leaders.

Italian Premier Francesco Cossiga, who presided in Venice, said they sought to "reinforce the role of Europe in the international context." French President Valéry Giscard d'Estaing, speaking as usual in a somewhat different accent, said the meeting showed that "despite difficulties the European Economic Community is emerging as an independent, responsible influence in the world."

It was another demonstration of the urge for direct European presence and involvement in the world's trouble spots. But the care and renege with which the role was defined showed that the notion of Europe as an effective third force remains just that, a persistent notion but not a reality. Even though their sense of common political interests has grown, the Common Market nations lack the structural cohesion to play an effective separate role. The Europeans have been repeating, irritably, Henry Kissinger's 1973 statement that they had limited themselves to "regional interests" in a world which the United States must view as a whole. It ranted then. It rantes now as they feel the pressures of distant conflicts, finding little decisive that they can do.

Docile Backyard

The overriding issue is East-West relations and its meaning for security. No longer does this mean just the heavily armed front dividing Europe, the military ratio. Europeans are acutely aware that it also means economic and political stability of other regions, supply routes and the flow of oil and raw materials. There is a fairly general assumption that Moscow's objective in Western Europe is not conquest or direct domination, but the acquisition of a docile, if independent, productive backyard sufficiently detached from U.S. influence to provide reliable compensation for Communist-bloc economic failures.

This European view further suggests that the Soviet Union seeks to use its frightening military shadow to control vital avenues of supply, as the means of forcing that role on Western Europe.

That is a far more complex, heart-wrenching threat than an outright do-or-die ultimatum. One way or another, the European governments are seeking ways around it — to avoid the traps without provoking more dangerous clashes. Elections coming in West Germany, France and the United States and the tenuous governments elsewhere have complicated and obscured the task.

The Middle East is a prime example. Basically, U.S. and European interests there coincide — stability to assure continuing circulation of oil and money, security for friendly governments, including Israel, and the chance to sell goods that bring the dollars to buy oil. But the frustrations of Middle East politics keep tempting the Europeans to seek a shortcut to these goals.

Partner in Diplomacy

The Europeans' decision to launch "contacts" with "all the parties involved" to see what is possible, to insist that the Palestine Liberation Organization be "associated" with future negotiations and to offer "guarantees on the ground" for any settlement amounts to a declaration that Europe is determined to become a major partner in Middle East diplomacy. The United States managed to persuade them not to rock the Camp David boat, but on condition, the Europeans insisted, that they must not be left out again.

The rivalries have led to recurrent talk of "Euro-Arab dialogue," although it is evident that Europeans cannot solve the conflict of Israelis and Palestinians except to the extent that they can influence Washington to influence Jerusalem.

persuasive if they did more to help Egypt's Anwar Sadat break out of isolation.

Similarly, North-South relations are plagued by ambiguities about whether Europe is trying to go its own way regardless of America or whether its show of Western pluralism brings added strength. Oddly, in the historical context, the fact that European countries were imperial and maintain special ties with ex-colonies, the fact that the United States had no colonies but as a superpower has inherited the imperial

stigma, has created opportunities for useful two-party diplomacy.

But the crucial test for Europe comes in the relation with the Soviet Union. Every European country has its gamut of opinion, crudely described as ranging from pro to anti-American. More properly, the issues are perceived as each country's welfare and survival and how to assure them. West German Chancellor Helmut Schmidt's coming trip to Moscow focuses the questions.

For years, when tensions were

lower, there were varying paths the United States and Western Europe could take without provoking the ultimate question of their continued relations. Now there is not so much leeway and European leaders know it. The slogan of a "third force" is a holdover from the vocabulary of more confident days. Given Europe's internal condition and its external constraints, the slogan has little meaning now. The choice is more stark.

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Risks of Playing the China Card

By Hobart Rowen

WASHINGTON — Eighteen months ago, President Carter and mainland China representatives stirred great excitement when they decided to "normalize" relationships between the two countries, reviving trade and cultural interchanges that had been ended 30 years earlier.

Diplomatic relations have indeed been renewed, missions exchanged, visitors come and go (60,000 Americans will visit China this year) and a modified, if less ambitious, economic modernization program is being pursued by the Chinese. There are some tentative ventures into incentive pay and other market-oriented techniques.

But in the view of some China scholars, businessmen and politicians in Washington, the time may have arrived for the United States to step back from the process of "normalization" and to ask whether or not it is proceeding on the right track and at the right pace.

One reason to raise this cautionary flag is the almost incontrovertible evidence that, despite the Carter administration's assurances to the contrary, the United States has drifted into a kind of military relationship with China as a consequence of growing U.S.-Soviet tensions.

To be sure, there is not yet a military "alliance" as such, and this point was stressed in a recent policy speech by Assistant Secretary of State Richard Holbrooke. "In the absence of frontal assaults on our common interests, we will remain — as at present — friends, rather than allies," he said.

But this threatened use of the "China card" if the Soviet Union does not behave itself is a clear warning that a military relationship with China could easily escalate, involving something more than what the administration chooses to call "nonlethal" weapons.

Rep. Lester Wolff, chairman of the House Foreign Affairs subcommittee on Asian Affairs and a strong original supporter of "normalization," said in an interview that the United States "is moving too rapidly to embrace China, because of problems with the Soviets." He plans hearings on this subject shortly.

Rep. Wolff points out that the cagey Chinese have never committed themselves to any specific course of action in what they call the "common, parallel interests" of the United States and China. In other words, in any joint security action, what would and could the

Chinese do for the United States, and where?

Equally disturbing to friends of China are reports that the Deng Xiaoping government in Peking is sending thousands of young people to rural labor camps. This revives some of the worst features of the detention system used by Mao Tse-tung to silence critics in the 1950s. The budding democratic movement already had been hit a cruel blow by the decision to prohibit wall posters, including those on Peking's famous "Democracy Wall."

At the same time, all of the hoopla that surrounded the original estimates for "opening up the vast Chinese market" have proved — as many warned at the time — a great exaggeration. Many well-publicized business projects, including luxury hotels, have been postponed, because the Chinese are still reluctant to borrow from foreign banks and do not have enough cash of their own on hand.

The U.S. protectionist policy on textile imports is one cause of this problem. As anyone who has visited Chinese factories and communes knows, except for textiles, China is a long way from being able to produce the kind of goods easily marketable in the West. Nonetheless, its eastern countries place severe limits on its imports of Chinese textiles and the U.S. textile lobby has browbeaten the Carter administration into maintaining an obnoxious quota.

Scholar's Question

Realistically, there probably is little that can be done, halfway around the world, to influence the growth of democracy and civil rights in China. But forging a close military relationship — when the American people are given no idea of what is involved — is something else again.

At least one respected student of Asian affairs, Nicholas Lardy of Yale University, raised an obvious question in a March study for the Asia Society: Will not increased military expenditures by China put a further crimp in its ability to modernize its economy and improve the Chinese standard of living?

The administration's decision at the end of 1978 to "normalize" relations with China made good sense. The billion people — one-fourth of the world's population — could not be left isolated from the mainstream of global events simply because they had a different ideology. But the idea was to help accelerate China's economic advancement.

Now, this administration is giving China's military potential too high a priority. It should refocus on economic and trade goals — among other things, easing the textile quota. This is a time for taking stock of the U.S. relationship with China, rather than creating an artificial momentum based on present problems with the Soviet Union.

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Letters

Title in Ointment

There is a flaw in the explanation for the phrase "the last jot and tittle" quoted by William Safire (IHT, June 2) on the authority of Marie Borroff of the English department (but not the Greek department) of Yale: "A 'jot' (from iota) is the small letter 'i,' and the 'tittle' is the dot over it." In the Greek alphabet, iota, unlike "i" in the Latin alphabet, does not have a dot over it. When iota is the initial letter of a word, it wears a comma on its head, turned one way or the other to designate whether it is aspirated or not, and sometimes an accent as well; but catch an iota in the middle of a word and you will find it naked and unadorned, barring accent.

"Tittle" is the normal English word for a diacritical mark, which applies both to marks which appear above the letter (the German umlaut) or below it (the French cedilla). This latter moves me to wonder whether the translators of the King James Bible, who may have originated the phrase (see Matthew 5:18), were not thinking of iota script, a miniaturized iota written under another letter as part of it — like a tittle. As for the dot over the Latin "i" (and "j"), that is a scribe's device, adopted in the eleventh century to make it easier to distinguish that letter from some others.

WAVERTLEY ROOT.

Men in the Kremlin

After reading William Pfaff's article "The Elemental Question of Who They Are" (IHT, May 30), I could only wonder, who is Mr. Pfaff? Has he been to the Soviet Union or at all studied the development of the Soviet polity since 1917? In his conclusion, Mr. Pfaff notes, "The men who run the Soviet Union are heirs to a political tradition, revolutionary and visionary, demanding struggle and sacrifice." This may very well have been true of the Old Bolsheviks of the 1920s but is total nonsense when applied to today's ruling elite.

Mr. Pfaff goes on to assert, "The primordial fact about the Soviet

Union is that it is not governed by men of bourgeois views. The Russian Revolution settled that." In fact, many would argue otherwise — certainly, 1917 is a poor choice for the revolution itself was undecided for many years. What is of greater importance is left unsaid:

First, that there is precious little evidence to support the view that commercial and technological exchanges with the Soviet Union encourage the growth and influence of a modernizing and liberalizing element in Soviet society which will inevitably take over control of the government. On the contrary, since 1975 signing of Helsinki accord, we have seen a trend which is far closer to a re-Stalinization than any kind of liberalization.

Second, that the Soviet leaders are primarily concerned with directing activities, not regulating them. Thus, the political pluralism now advocated by Eurocommunists and the obvious need for efficient economic management (and planning), as well as greater participation and decision-making at local levels, which all points to the advantages of a decentralization of power, is repugnant to the political leadership.

It is not merely a question of "men of principle in the Soviet leadership, determined to sacrifice economic interest to political belief" — it is a question of political survival.

STEVEN MARC GLICK.

London.

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Assuring A Direct Election

By Tom Wicker

NEW YORK — For years as regularly as elections around, Sen. Birch Bayh of Ind. has been bringing up his constitutional amendment to abolish Electoral College and elect presidents by popular vote. And regularly, the amendment has been defeated, mostly because of the Senate's insistence that there is real danger that a popular loser will be an electoral winner or that no one will win a majority of the electoral votes.

Only three candidates have the presidency while losing the popular vote, they pointed out, only once has the House chosen a president from among whom none had won a majority of the Electoral College. So the amendment has worked well enough, as Bert Lance used to say, if it broke, don't fix it.

Ironically enough, many of the same opponents of the amendment are now pointing alarm to the possibilities that the apparently strong independent candidacy of John Anderson might vent anyone from winning a majority of the electoral votes, thus triggering the 1980 election into the hands of Representatives that will be elected next November.

Proposed Reform

Not only does this frighten possibility no longer seem a remote, but one of the lesser often proposed — eliminating human electors, so that electors would be mere numbers, mechanically counted for the winner of the state's popular vote — looks different in the light of Anderson candidacy.

That would insure the election to the House, if no one won an electoral-vote majority. But real people casting electoral votes — the chance exists for corrupt arrangements — political deals, would rather — to be made weeks between the popular vote and the electoral voting, some candidate might be able to put together a majority of the electoral College after all.

Moreover, we seem clear have entered upon an era more often than not, there will be more than two important dates for president — Mr. George Wallace in 1980, Mr. McCarthy in 1976, Anderson year. This development is chance; it stems from the desire party strength and identity, in turn has been caused by television politics, and from the increasing numbers and complexity of presidential issues, on which the umbrella parties now are unable to satisfy all factions.

This obviously increases chance that in any given election no one will win an electoral-vote majority and the House have to resolve the matter — can.

Each state would have one and an absolute majority of states is required for election. state's vote is determined by caucus of its House delegates. State delegations evenly divided having no majority for any date would forfeit their votes.

The present House has 29 Democrats, 12 Republicans and 5 delegates; 5 more Democrats by only 1 vote, and 5 more by 2. So if only four of these delegates should go Republican in November, there might even be House majority for any January.

Six state delegations, more consist of only one member, would have a vote equal to that of all California's 40-odd representatives; the six thus represent more than 20 percent of the 26 states needed for election. And the nothing to prevent, say, conservative Democrats joining the Republicans in a nominally Democratic coalition to cast their vote for a public candidate. Liberal Republicans could play it the other way.

Senate Specimen

In the Senate, meanwhile, majority of its 100 members, as individuals, would be chosen by voters from the two chambers with the most electoral votes. This raises the specter, in the of a Democratic House and Senate, of a Democratic president, a Democratic Senate, and a Democratic vice president and vice president — different parties.

Worse, if the House failed to elect a president by Jan. 20, the vice president would be sworn in acting president. Thus, the presidential candidate of a state that lost the popular vote might become president next 20 and serve until the House resolve its deadlock — perhaps years.

Against such possibilities, popular election of presidents with its different set of perils, a straightforward solution, as Lance forgot to say, if it is fix it.

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Interferon Could Be Effective Against Cancer

Major Research Committed to Anti-Virus Substance

By Lee Lescaze

WASHINGTON, June 15 (UPI) — Scientific laboratories around the world are racing to produce interferon, a natural virus-fighting protein that eventually may be used to treat cancer and that is among the most expensive substances in the world.

A pound of pure interferon would cost \$22 billion to produce by today's methods, according to the American Cancer Society, until last year, a single Finnish laboratory produced virtually the world's entire supply: 0.14 ounces, extracted from 90,000 pints of human blood.

Although the drug is still far from a proven cure for cancer, the selling of interferon is under way. "People who get into manufacturing this can't lose," said Dr. Frank Rauscher, the American Cancer Society's vice president for research. "Even if it fails in its cancer trials, it is an antiviral drug of choice."

In the late 1940s, the successful purification and mass manufacture of penicillin transformed the drug industry. Many scientists believe that interferon will be similarly revolutionary.

World Market

The IMS pharmaceutical market letter published an analysis last month by the investment firm Bache Halsey Stuart Shields that estimated the world market for interferon at \$2.96 billion in 1989, an astonishing figure for a product still in the research stage. Other analysts believe it will take much longer for the interferon market to grow, however.

From its discovery in 1957 by two researchers in Britain who set out to learn why a human being at most never gets more than one virus at a time, interferon has captured the imagination of scientists and laymen.

Despite interferon's apparent success against every virus that it has been tested on, research was not pursued aggressively because of interferon's cost and scarcity until it showed promise against cancer.

The American Cancer Society announced in August, 1978, that it would commit \$2 million by far its largest single grant — to buy interferon for tests on four types of cancer. The society has increased its commitment to \$7.3 million, but so little interferon is available that it is still waiting to spend its money. Dr. Rauscher said that only \$1.2 million had been spent.

\$10 Million

The National Cancer Institute has allocated \$10 million for interferon research this year, and two Houston oilmen have started the Interferon Foundation with the aim of raising at least \$20 million within two years.

Leon Davis and Roy Hufington, independent oilmen, started the Interferon Foundation to tap the oil industry for funds. The Shell Oil Co. announced last week grants totaling \$2 million to the Interferon Foundation and \$1 million to the American Cancer Society for interferon research.

As the first interferon results in the tests organized by the American Cancer Society have indicated, scientists are a long way from a cure for cancer. Two groups seem to be in the lead, however, each of them relying on gene splicing techniques to produce interferon in larger quantities and, eventually, at lower prices than the method developed in Finland.

Biogen S.A., a Swiss firm partly owned by the pharmaceutical company Schering-Plough, sent its parent company's stock up almost eight points with an announcement in January that it had produced a facsimile of human interferon from bacteria. By the end of this year, the Biogen product will be tested on humans, observers believe.

California Firm
A San Francisco-based firm, Genentech, in collaboration with the drug company Hoffman-La Roche, also has announced progress in manufacturing interferon. Its product will be tested on humans early next year. Genentech vice president Robert Byrnes said.

The large sums being spent on interferon research have generated a lot of press coverage and public interest as well as some charges that interferon's anti-cancer potential is being exaggerated. Doctors have resigned from the American Cancer Society board to express their displeasure with the organizations' enthusiastic support for interferon. Other doctors point to the initial test results, which show that interferon often produces less evidence

of improvement than other drugs. Dr. Rauscher stressed, however, that the important thing was that interferon had shown it did have some potential against cancer. He cited a possible parallel: Early penicillin was very impure and today's interferon is only one part pure to 999 parts other matter. It was not until penicillin was purified so that it could be given in much larger doses that it began to have dramatic results. There are several interferons, in various stages of laboratory production, and it may not be the substance called interferon, but rather a later product, that emerges as the truly effective modifier of the human immune system.

Science is a long way from the present early cancer research to any anti-cancer market for interferon. It is even further because of cost — although the price has fallen by one-half in a year — to a non-injectable form that could be used to ward off the common cold and other viruses, but the potential for success is so large that research is proceeding at a rapid rate and the rewards promise to be great.

Findings of 'No Use,' Scientists Say

Love Canal Panel Disputes Chromosome Study Result

By John Noble Wilford

NEW YORK, June 15 (NYT) — A scientific panel has delivered a report to the Environmental Protection Agency disputing the conclusion of an earlier study that some residents of the Love Canal area in Niagara Falls, N.Y., exhibited abnormal levels of chromosome damage.

Roy Albert of the New York University Medical Center, who headed the panel, said in an interview that the results of the earlier study were "indeterminate" and "really of no use."

Dr. Albert said that the scientists who reviewed the study could not verify the presence of excess material in the chromosomes of the purported victims. Nor, he said, did the number of chromosomes irregularities exceed that found in the general population. The panel found some errors in preparing the cell material for the study, and some possible misinterpretations, he said.

But members of the panel cautioned that people who live in the neighborhood still may have suffered some ill effects from the chemical wastes buried there. The study reporting suspected chromosome damage, conducted by Dante Picciano of the Biogenics Corp. in Houston, was the impetus for President Carter to declare a state of emergency at Love Canal and for plans to relocate many of the area's residents.

Geneticists Consulted

A spokesman for the EPA, which ordered the review, said that the panel's report, delivered Friday, was being evaluated and would not be made public until later this week.

Reached by telephone in Houston, Dr. Picciano said, "I have not moved from my report one iota."

The timing of his return will allow Mr. Lule to attend a delegate conference of his Democratic Party, a conservative, heavily Roman Catholic party. Mr. Lule said it is up to the conference to decide on a presidential candidate, but his selection seems certain.

Mr. Lule was chosen by a conference of exiles to be Uganda's first president after the overthrow of Idi Amin last year. But soon after taking office, he found his authority challenged by the leftist-dominated National Consultative Council. He was finally overthrown by a vote of the council in June after he reshuffled his Cabinet.

Mr. Obote, who was overthrown in 1971 by Marshal Amin, returned to Uganda two weeks ago and began a campaign for the presidency with promises of law and order and an end to government corruption.

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He said that when questions about his study were raised, he called in three independent geneticists to examine the slides of cell material that were the basis of his results. He said that they confirmed his conclusions.

One of the three, Robert McKinnell, a professor of genetics at the University of Minnesota, said: "I was asked by the EPA to look at his slides and methodology. It was my judgment that the slides showed chromosomal abnormalities in some of the individuals. . . . What is the biological significance of the chromosomal abnormalities? That will have to be ascertained in a larger study with appropriate controls."

The lack of controls — a similar

group not exposed to the Love Canal hazards, for comparison

raised doubts about the study soon after it was reported last month. But EPA officials said the study was preliminary and was to serve as legal, not scientific, evidence for a Justice Department suit against the Hooker Chemical and Plastics Corp., which buried chemical wastes in the Love Canal years before housing was built on the site.

Longer term studies are being planned by the EPA and by the Center for Disease Control in Atlanta. People at Love Canal reported that late Friday afternoon an official of the Center for Disease Control talked to seven of the people who were found to have significant

chromosome irregularities, and gave them his guarantee that they had suffered no chromosome change.

The panel that reviewed the chromosome study was provided with photocopies of the photographs of the chromosome preparations used by Dr. Picciano. These were then examined under microscopes.

Neither Dr. Albert nor Dr. Picciano would speculate on why the two studies came up with such different results. But geneticists pointed out that everyone has some chromosome damage — possibly from viral infections, X-rays or exposure to chemicals and medication — and that the examination of cells for such damage was extremely subjective.

Broad Anti-Qadhafi Drive Said Forming

LONDON, June 15 (AP) — Amid reports of a worldwide drive to overthrow Libyan leader Col. Moamer Qadhafi, an expelled Libyan diplomat claimed today that blacks and Arabs have joined a

campaign to kill Col. Qadhafi's opponents in Europe.

Musa Koussa, Libya's senior envoy in London, left Britain tonight on a flight to Malta after giving encouragement to pro-Qadhafi demonstrators gathered outside the Libyan mission to protest his expulsion.

The Sunday Observer reported that a secret organization of anti-Qadhafi groups — known as the Libyan National Democratic Movement — recently set up operations in the United States, West Germany and Britain, and is expanding. The movement claims to have support in Egypt, Tunisia, Algeria, Iraq, Morocco and the Palestine Liberation Organization.

Quoting Libyan exiles in London, the paper said the group has 300 members, mostly businessmen, lawyers, intellectuals and students, and that it has strong backing from the Libyan Army. Its members are the main targets of revolutionary committees prowling European capitals in a campaign to silence dissidents.

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us. He said Libyan revolutionary committees were attracting wide support: "Members are all over the United Kingdom, and they are not only Libyans," he told a largely student crowd in London. "There are some Arabs and some black Britons in them, too."

The Foreign Office today said its ambassador to Libya has protested a firebomb attack on the British Embassy in Tripoli Friday night, shortly after Mr. Koussa received his expulsion order. No one was injured. The incident further strained British-Libyan relations, already tense over the Qadhafi-ordered exile killings.

About 100 known opponents of Col. Qadhafi have been in hiding in Britain, some with police protection, since April, when assassins killed a lawyer and a journalist here, both exiled Libyans. Seven other Libyan exiles have been slain in Rome, Milan, Bonn and Athens in recent weeks.

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th African troops and armored vehicles gather as a helicopter comes in to land in southern Angola during the attack on guerrilla bases of the South-West Africa People's Organization.

Botha Says 200 Guerrillas Killed

5. African Troops Pull Out of Angola

JOHANNESBURG, June 15 (UPI) — South African troops pulled out of Angola over the weekend after killing more than 200 guerrillas, South African officials said yesterday. The troops were the largest cross-border raid since 1978.

Army spokesman Col. Kobus van der Merwe said yesterday afternoon, final phase of withdrawal and persuasion can be considered completed.

Armored columns left Angola last night for South-West Africa (SWA) loaded with more than 200 guerrillas captured during the raid. The guerrillas were taken to a camp in the north of the country.

Minister Pieter Botha told parliament in Cape Town on Friday that the incursion had been on an unspecified day earlier in the week. He also announced that the troops would be withdrawn.

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ern intelligence sources have said contained an East German battalion and more than 1,000 Cuban soldiers. But Col. Botha said that the South African force, spearheaded by tanks and warplanes, made no contact with East German, Cuban or Angolan soldiers.

He said all the fighting was restricted to the South-West Africa People's Organization (SWAPO) in the heavily fortified camps, which consisted primarily of underground bunkers.

It was the largest raid into Angola since South African troops destroyed what was then SWAPO headquarters near Cassinga, 140 miles north of the border, in May, 1978.

The SWAPO guerrillas have used their increasingly sophisticated bases inside Angola to launch guerrilla raids along the northern border of Namibia, which South Africa has ruled since 1920 under a League of Nations mandate.

Nations mandate the United Nations refuses to recognize.

Police Disperse Blacks
JOHANNESBURG, June 15 (UPI) — South African police used dogs, nightsticks and tear gas today to break up groups of blacks gathered in Soweto to commemorate the anniversary of the anti-government riots that broke out in the township near Johannesburg on June 16, 1976.

Reporters said at least one young black beaten by a black policeman with a club, but marksmen with automatic rifles, responsible for at least 600 deaths in 1976, remained in the background. No serious injuries were reported.

The police were enforcing a government proclamation banning all political and commemorative meetings involving more than 10 persons in 24 places around South Africa.

Crowds of up to 400 blacks at a time gathered outside Regina Mundi Roman Catholic church, where a commemorative service had been scheduled, only to find their path barred by police who ordered them to disperse. Most did so, but some tried to march to another church a mile away and police broke up the march.

9 Die in Istanbul Fire
ISTANBUL, June 15 (AP) — Nine persons were killed when a fire swept a hotel in nearby Pendik late Friday night, police said yesterday. Among the victims were four Finnish and two Italian tourists.

Libert Son Seized in French Embassy
IROVIA, Liberia, June 15 (UPI) — A Liberian son of a French diplomat was seized in the French Embassy in Monrovia and arrested A.B. Tolbert, the state-run news agency reported today.

Younger Tolbert, one of former government officials, was seized by the new authorities of the new government of public office, the civil rights of the people, had hidden in the city since the April 12 coup in which his father was killed.

and of military intelligence moved on the French minister the new government was to Mr. Tolbert's presence the agency said. It gave no details.

French Foreign Ministry denounced the Liberian authority into the French Embassy agent and unacceptable violation of the status of diplomatic premises.

Strong Protest
French had agreed to give them refuge because of the gravity of the situation and humanitarian reasons," unique said, adding that the ambassador in Monrovia led a strong protest with 15 authorities.

People's Redemption Committee's new military-dominated government, had been hunting for Tolbert since the coup. There had been earlier that Mr. Tolbert fled to neighboring Ivory Coast. President Felix Houphouet-Boigny said Tolbert, who is in his mid-40s, is a member of the new Liberian Parliament and was an aide to his Foreign Relations Minister.

coups, the first in Liberia's history, gave way to widespread arrests and executions of officials.

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When it became clear from the debate in the National Party that the proponents of change mostly envisaged a new form of white hegemony, not a nonracial democracy, even moderate nonwhite leaders began to shy away.

The suspicions of other groups were heightened during the opening stages of the parliamentary debate by Hennie Smit, minister of posts, who answered opposition taunts on the exclusion of blacks from the President's Council with a racist retort of a kind not heard in the South African legislature for years.

Mr. Smit asked of the opposition leader, Frederik van Zyl Slabbert: "Does he think that it is feasible that people whose thought processes are even slower than most of us here should be involved in this?"

Several influential blacks, including Dr. Ntsho Motlana, unofficial leader of many blacks in Soweto, the township outside Johannesburg, long ago rejected changes that do not provide direct negotiations between whites and genuine black leaders such as Nelson Mandela, the imprisoned head of the African National Congress. But the government has failed to attract even moderate black figures who oppose confrontation between blacks and the authorities.

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Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

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Color us, black for ferrite, an indispensable magnetic material we commercialized 45 years ago; white for capacitors and other ceramic components; and brown for the magnetic materials of recording tapes. These are the primary colors of electronics and the basic materials of TDK products. One of only a few producers of all three, we have used them to achieve balanced growth and a position of industry leadership.



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TDK has sustained a record of growth. Over the past decade, sales advanced at a compound annual rate of 19.4%, increasing 24.3% in fiscal 1979. Earnings per share have followed the same uptrend, increasing 26.6% last year. For more information, write for our annual report and financial fact book.



Journal of Management Inquiry 18(1) 9-20

DM STRAIGHT BOND

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700	Austria	7	82	Apr	99	7.60
708	Austria	9	83	Feb	102 1/4	8.50
720	Austria	9	83	Apr	99 3/4	6.50
750	Austria	6 1/2	85	Apr	97 1/2	7.37
780	Austria	6 3/4	86	May	99 1/4	7.91
790	Austria	6 1/2	87	May	101 1/4	8.35
790	Austria	5 3/4	90	Nov	85 3/4	7.77

198	Austrian Control Bk	8	24 Dec	99 1/2	8.33
199	Austrian Control Bk	8	23 Feb	99 3/4	8.84
199	Austrian Control Bk	9	27 May	100	8.41
199	Austrian Control Bk	6 1/2	18 Dec	98	8.15
200	Austrian Control Bk	7 3/8	18 Oct	95 3/4	8.63
55	Austrian Electricity	7	27 Feb	96	7.78
60	Brainer Automobile	6 3/4	22 Aug	98 1/2	7.29
61	Onassis				

80	Donaufrauentheke AG	6	54	Feb	97 1/4	8.81
100	Donaufrauentheke AG	6 3/4	38	Mar	95 3/4	7.48
100	Donaufrauentheke AG	8 3/4	25	Mar	101 1/2	8.35
100	Genossenschaft Zentralfond	6	37	Dec	89 1/4	7.98
100	Girozentri Sparkassen	7	31	Nov	97 1/2	8.65
60	Girozentri Sparkassen	5 1/2	32	Oct	93 1/2	8.67
40	Girozentri Sparkassen	7 1/4	33	Nov	97 1/2	8.10
50	Girozentri Sparkassen	8 1/4	33	Nov	97 1/2	8.10

50	Kontinier Elektr. Ag	6 1/2	31 Jan	102 1/4	8,08
50	Quattr Leasingbank	6 1/4	30 May	97 1/2	7,17
50	Pyram Autobahn	5 1/2	32 Dec	92 3/4	8,25
50	Tauernautobahn	6 1/4	30 Sep	88 1/2	8,68
50	Tauernautobahn Ab	9 1/2	31 Jul	108 3/4	8,75
40	Tauernkraftwerke	5 1/2	30 Apr	88 1/2	7,95
40	Tauernkraftwerke	7	30 Feb	101 1/2	6,57
40	Tauernkraftwerke	6 1/2	30 Sep	98 1/2	7,82

100	Vienna City	7	23 Jun	99 1/2	7.18
100	Vienna City	8 1/4	24 Aug	101 1/4	7.08
100	Vaest-Alpine	8 1/2	25 Jun	101 1/2	8.12
100	Vaest-Alpine	8 1/2	28 Oct	100 3/4	8.07
100	Vaest-Alpine	6 3/4	29 Jun	92	8.37
CANADA					
100	Canada	4 3/4	23 May	92 1/4	7.25
100	Canada				

200	Hydro-Québec	8/1/72	30	Oct	101	8.53
150	Hydro-Québec	6/1/72	37	Aug	90	3/4 8.23
150	Hydro-Québec	6/1/74	37	Dec	99	1/2 8.13
100	Montreal Hydro-Elec.	6/3/74	37	Jun	97	7.38
180	Montreal	8/1/72	36	Jul	101	8.22
150	Montreal	7	26	Jul	95	1/2 8.28
100	Montreal	7	29	Apr	95	1/2 7.79
100	Montreal	4	29	Apr	95	1/2 7.79

100	Manitoba	6	72	Jan	89 1/4	7.58
101	New South Wales Power Corp	8 3/4	90	Jun	96 3/4	7.58
102	Ontario Hydro-Elec	7	87	Dec	97 3/4	7.59
103	Ontario Hydro-Elec	7 1/2	86	Dec	99	7.69
104	Ontario Hydro-Elec	6 1/2	80	Jun	97 1/4	7.60
105	Ontario Hydro-Elec	6 1/2	88	Apr	94 1/4	7.80
106	Ontario Province	4 1/2	84	Feb	97 1/2	7.25
107	Ontario Province	6	87	Jun	97 1/2	7.25

00	Prov.Of Atlanta	6/1/2	34 Jul	93/3/4	7.34
00	Prov.Of New Brunswick	6/3/4	37 Nov	95/1/4	7.41
00	Prov.Of Newfoundland	7/1/4	34 Aug	95/1/2	7.46
00	Prov.Of Newfoundland	8	36 Aug	99	8.31
00	Prov.Of Newfoundland	6/3/4	37 Nov	98	7.10
00	Prov.Of Nova Scotia	6/1/2	38 Apr	93/3/4	7.57
00	Prov.Of Nova Scotia	7/3/4	36 Dec	98	8.15

50	Prov. Of Quebec	7 1/2	87 Feb	97 1/8	8.86
50	Prov. Of Quebec	7 1/4	87 Jun	94 3/4	8.25
50	Prov. Of Quebec	6 1/2	87 Jul	93 3/4	7.66
50	Prov. Of Quebec	6	90 May	86 3/4	7.96
50	Quebec Hydro-Elec.	6 3/4	94 Feb	99 1/4	6.98
50	Quebec Hydro-Elec.	7 1/4	94 Sep	181	4.97
50	Quebec Hydro-Elec.	8	94 Sep	89	4.97

00	Quebec Hydro	Elec.	4 1/2	27 Apr	93 1/4	7.79
00	Quebec Hydro	Elec.	4 1/2	28 Mar	92 3/4	7.76
DENMARK						
00	Denmark		8 1/4	22 Feb	99 3/4	8.21
00	Denmark		8	22 Sep	99 1/2	8.21
50	Denmark		6 3/4	23 May	98 1/4	8.42
00	Denmark		5 1/4	24 Feb	98 1/4	8.42

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INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

PARIS, JUNE, 1980

ECOWAS



Faces of West Africa: from left, Liberia's Sgt. Samuel Doe, Togo's Gen. Gnassingbe Eyadema, Guinea's Sekou Touré, Ivory Coast's Felix Houphouët-Boigny and Senegal's Leopold Senghor.

Shaky Start Dogs Fund's First Years

E. Togo (IHT) — The ECOWAS Fund is intended to be the financial foundation of the community, the instrument for the implementation of policy. In 1975 AS heads of state approved a capitalization of \$500 million by the beginning of last year states had paid in \$2 million.

First managing director of the fund, Dr. A. Romeo Horton of Liberia, estimated that \$200-300 million could be raised. The fund is a profit of some \$10 million.

Central Task
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tant (a fund for those states, in association with France), the West African Development Bank (another financial organization of French-speaking countries), the African Development Bank and the ECOWAS Fund. Those present at the governing bodies should harmonize their procedures in project assessment, coordinate financial and human resources, co-finance specific projects and exchange information. This list of good intentions merely confirmed the continued existence of similar institutions doing similar jobs.

Bad Start
In any case, the fund got off to a bad start. First, there was a conflict of status between the ECOWAS Secretariat in Lagos and the fund in Lomé, resulting in differences between the Ivorian executive secretary of ECOWAS, Dr. Aboubakar Ouattara, and the Liberian managing director of the fund, Dr. Romeo Horton.

Then there were allegations about inefficient management of the fund, excessive spending and unnecessary travel, as well as imbalances in staff recruitment. The showdown came at the ECOWAS summit in Dakar in 1978 after which Dr. Horton handed in his resignation. It was also resolved that the executive secretary, Dr. Ouattara, was the head of the ECOWAS administrative structure, while the fund was to be an operational unit managing the community's resources from Lomé.

The late president of Liberia, William Tolbert, nominated Winston Tubman, a lawyer and economist, as the new managing director of the fund. Mr. Tubman is seen to have brought a new sense of direction to the fund and has been establishing guidelines for lending to member states and for guaranteeing loans from third parties, as well as seeking to raise the fund's capital from European and Middle Eastern money markets. Much time has been lost in getting the fund working. In February there were still 13 vacancies on the staff.

Community Dream Takes Shape; 16 Nations Attempt Closer Union

By Loic Even

ABIDJAN, Ivory Coast (Reuters) — Critics called it a dream that would never come true in the jungle world of West Africa. They argued that a common market was an impossible challenge to realism in the split world of regional rivalries and the power politics of former European colonial powers. And yet, the dream of a united West Africa grouping 16 countries speaking English, French and Portuguese is taking shape — albeit with premeditated slowness.

Five years ago in the Nigerian capital of Lagos, with much African peasantry, leaders of the 16 nations representing some 150 million West Africans put their seal to a Treaty of Lagos instituting the Economic Community of West African States (ECOWAS). Their largely untapped mineral-rich region, more than half the size of the European continent, runs from the Tropic of Cancer down almost to the Equator. What binds them together is the fight against widespread poverty and underdevelopment.

The community unites such unlikely partners as Nigeria with its huge oil resources and an estimated 90 million population, and the tiny Gambia — only slightly bigger than Luxembourg — where peanuts and tourism are the only sources of income for its half a million people. The sheer size and power of Nigeria and its political pull in African politics are undoubtedly the main reason why other, less wealthy ECOWAS countries are showing some reluctance in committing themselves too quickly to the community idea. African political sources say.

But facing Nigeria, and to a large extent balancing its influence, stands a close-knit group of nine French-speaking nations — Benin, Guinea, Ivory Coast, Mali, Mauritania, Niger, Senegal, Upper Volta and Togo. What they lack in wealth, they make up for with a long tradition of political stability, with an undisputed sense for organizing things and, most important, a stable, freely convertible local currency inherited from and backed up by France, the former colonial power in the region.

ECOWAS fed from its inception on experiences from a myriad of other groupings in a region that took an early lead in organizing itself. For example, it adapted the budget contribution based on each nation's per capita income/gross national product from the six-nation French-speaking West African Economic Community — Ivory Coast, Mali, Mauritania, Niger, Senegal and Upper Volta — still in existence, as well as the idea of a development fund aimed essentially at helping the poorer members.

This has meant that Nigeria with an officially declared GNP of almost \$28 billion — almost double that of all the other member countries put together — is putting up 32 percent of the community's initial budget of \$500 million dollars. The Nigerians have already paid their dues in full, and Nigerian President Shehu Shagari at the most recent ECOWAS summit in the Togolese capital of Lomé last month complained bitterly of the "low levels of contributions by member states."

Although harsh, the criticism was justified. The drought-stricken Cape Verde Islands, for instance, have not paid a cent of their \$4,000-dollar contribution and are not the only country behind in its obligations. The Nigerian remark, nonetheless, led to grumblings that "big brother is flexing his muscles."

If contributions from the more-developed nations are high, both to the budget and to the \$150 million development fund, these countries stand to gain more from the community in the short term than the poorer ones.

Tariff barriers on all ECOWAS-origin industrial products are to be abolished following a decision of the community's supreme heads of state council last month. They also decided to lift all trade barriers on unprocessed goods originating in member countries. This

means, in effect, that countries like Nigeria, Ghana, Ivory Coast and Senegal, which form a group of industrializing markets in fields such as textiles, petrochemicals, light manufacturing industries, will be in a position to sell goods much below European manufacturers, who would still be required to pay huge customs duties.

For example, a more than 80-percent tax is levied on any European-made car shipped to most of the 16 countries before it can be driven off the docks.

Lifting trade barriers within the community is hoped to incite private national companies, alone or more likely in association with Western manufacturers, to produce more locally to win access to the preferential market and avoid tariff barriers, European executives here say.

Already, because of suppression of tariffs among the six French-speaking community partners, a new trade pattern of inter-regional exchanges has been developed, especially in textiles and foodstuffs.

Following the ECOWAS decision last year to allow free movement of people within the community for up to 90 days, there has been a noticeable flow of goods from the English-speaking area to the French, and vice-versa. According to all regional experts, this traffic is likely to grow as more barriers crumble over the years, provided extremely sensitive micro-nationalism does not reappear.

There are, however, indications that all may not be rosy in this respect, judging by steps taken by Nigerian immigration against the large Ghanaian colony in Nigeria, or by recent riots against Mauritanian shopkeepers here in Abidjan, the Ivory Coast capital.

Inter-regional trade is also being organized on a state-to-state basis. The cornerstone has been the setting up of a West African Unit of Account (WAUA) for monetary settlement among the region's 10 different currencies — only four of them freely convertible. They are the African Community franc (CFA), backed up by the Banque de France, the Gambian dalasi supported by the Bank of England, as is Sierra Leone's leone, and the Liberian dollar, backed up by the U.S. Treasury.

Banking sources here point out that a recently created regional clearinghouse operating out of Sierra Leone's capital of Freetown has done wonders to boost trade between English and French-speaking countries.

"Nigeria buys plenty of coffee from the Ivory Coast. It sells the Ivory Coast crude oil, which is refined in Abidjan and sold to Ghana. And everybody gets paid. Incredible but true," said one Western banker whose group is well-placed in the region to finance such two-way trade.

The community's limited success so far does not hide the many problems it faces, the most serious being the lack of expertise and investments on the scale needed to develop immense mineral resources — iron ore in Guinea, uranium in Niger, manganese in Upper Volta and petroleum almost everywhere along the coast.

Nigerian President Shagari complained last month that there was too much "political patronage" in the choice of senior staff to man both the community's Lagos-based secretariat and its fund. The former Fund director, Dr. Komoa Horton, was sacked by heads of state last year after he was criticized for his recruitment policies.

But the problem is a general one throughout Africa, and it will take as long to solve it as time is needed to train professional cadres. Five years is about the time it took the European Steel and Coal Community to get off the ground as an embryo of the European Economic Community, and that was in the early 1960s.

With their limited means, West African countries can be singled out in Africa as the only region that has made a start at organizing a respectable market at a time when attempts in North and East Africa had failed.

Delegates Attend ECOWAS Talks

By Robert C. Sinter

WASHINGTON (IHT) — Top officials of the Economic Community of West African States (ECOWAS) gathered here last week to explain to U.S. public and private sector representatives the problems, prospects and needs of their organization.

The six-member delegation, headed by Aboubakar Diaby Ouattara, ECOWAS executive secretary, and Robert Tubman, managing director of the ECOWAS Fund, began the week with a day-long conference at the State Department to "acquaint government officials with ECOWAS...its present state of development and outlook and what it signifies for U.S.-West African economic relations."

A two-day forum for investors followed with representatives of private industry during which Mr. Ouattara assured American businessmen that ECOWAS was ready "to take all comers" in sectors that had been identified for development. He urged U.S. businessmen not to look upon West Africa as a "French zone" but rather as a "target of opportunity" for expanding trade and investment.

Georgetown Seminar
The ECOWAS delegates finished their week here with a seminar on financing at Georgetown University. The university's Center for Strategic and International Studies, along with the consulting firm of Henderson International, is hosting the Georgetown part of the meeting.

The sessions in Washington had been in the works for a long time, according to Ambassador Mabel Smythe, who chaired the State Department conference.

"ECOWAS quite some time ago expressed interest in gaining access to [U.S.] private sector investment and technology," she said, adding that, the organization, which could be described as a West African common market, was little known in American government and business circles and that Washington was chosen because it was considered a good place to inform public and private sector officials of the needs of the organization.

Mrs. Smythe had high praise for Mr. Ouattara and Mr. Tubman, who opened the State Department conference with addresses on the plans, progress and prospects of ECOWAS and on the scope, purpose and operation of the fund. She said their papers were "right to the point" and were "open and frank" about the organization, "its problems and how they expect to deal with them." She characterized

the conference as "surprisingly rewarding."

After the statements by the two ECOWAS leaders, the conference heard a panel of academic experts present papers comparing ECOWAS to other regional economic entities in Europe, Asia, the Caribbean and Latin America, the relevance of other African experiences and attempts at regional economic integration to the success or failure of ECOWAS, a comparison of the ECOWAS Fund and other regional economic institutions and ECOWAS and the Lomé conventions.

The conference concluded with an after-dinner session which included a review of ECOWAS performance compared to its goals and an analysis of the implications for U.S. economic policy, trade and investment.

Guarded Optimism

In general, the presentations were guardedly optimistic. They outlined the enormous problems and noted that other African attempts at regional economic and political unions had ended in failure.

However, the speakers all found that ECOWAS was moving in the right direction, not trying to do too much in too short a time and had managed some significant accomplishments in its five-year existence. The major question still to be answered, according to almost all the speakers, was whether the 16-nation group had the patience, tenacity and political will to overcome its problems in the long term.

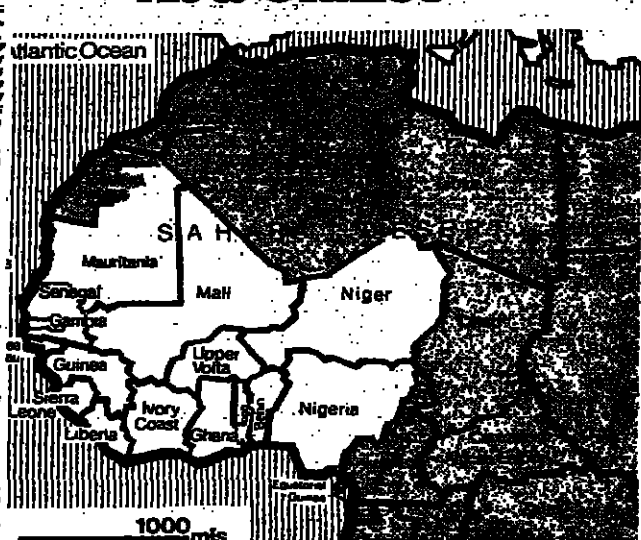
At the investors' forum, sponsored by Henderson International, a consulting firm specializing in trade expansion, the ECOWAS delegates met American businessmen in small sessions to discuss specific areas of possible investment and development.

A conference organizer described the session as one laying the groundwork for a commercial mission to the ECOWAS region next March. He said in the next 12 weeks, ECOWAS representatives would try to identify companies that would be "most interested in attending such a commercial mission." He said no major agreements were expected from the Washington conference but added that deals would be struck during the visit of the commercial mission to the ECOWAS region.

Opening the investors' forum, Rep. William Gray, a Pennsylvania Democrat and member of the House of Representatives Foreign

(Continued on Page 16S)

At a Glance



there have been numerous attempts to achieve regional cooperation in the multi-ethnic expanse of West Africa where France, Spain and Portugal established colonial empires in the place of African kingdoms. The Economic Community of West African States (ECOWAS) joins together 16 nations — Benin, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Cape Verde, Liberia, Mali, Mauritania, Nigeria, Niger, Senegal, Sierra Leone, and Upper Volta — to implement regional and subregional cooperation and development for the estimated 150 million inhabitants of the area. Established by the Treaty of Lomé in 1975, the community secretariat is based in Lagos, Nigeria, while the ECOWAS Fund has its headquarters in Lomé, Togo.

French Influence Affects Regional Integration Efforts

By Alex Rondos

LOME, Togo (IHT) — Since the time when European powers established their "colonial" colonies in West Africa, and Joseph Conrad's Marlowe told of seeing a French man-of-war off the coast "firing cannon balls into a continent," the influence of France and its culture in the region has been preponderant. Of the 30 predominantly or exclusively West African organizations now functioning in the area, the majority — and the most effective — are Francophone.

So when the creation of a Franco-phone West African commonwealth was announced at a Franco-African summit in France last month, proponents of regional integration, across linguistic and colonial lines sat up and took notice.

A Nigerian diplomat said in private that French government pressure on Francophone states was one of the major hurdles in negotiations to set up ECOWAS in 1975. The French, he said, sought to have their former colonies avoid excessive commitment to the new economic union at the expense of existing links with France. While perhaps not shared by all, this view reflects the circumspection with which Anglophones regard the Francophone countries in the region.

Francophone West Africa includes a group of states already far more integrated economically and culturally — among the governing circles — than any union ECOWAS could hope to achieve for a number of years. Benin, Ivory Coast, Niger,

Senegal, Togo and Upper Volta are all members of the Union Monétaire Ouest Africaine, the West African branch of the franc zone. The aim of the UMOA is to maintain a legal common tender for member states. Any state may join the union, provided current members agree. The UMOA's currency is the CFA or African Community franc, issued by the Banque Centrale des Etats de l'Afrique de l'Ouest, now based in Dakar.

The key to the continued existence of this monetary union is the franc zone. Under this broad umbrella, France and the French franc guarantee the CFA franc. There are two sides to the argument about the merits of this arrangement. The apologists claim that France provides monetary stability for all the

participants. The member states are obliged to deposit a proportion of their foreign reserves with the French treasury in Paris.

However, in West Africa responsibility for the franc zone is determined by agreements within the membership in the UMOA. The French guarantee of the CFA permits the free convertibility of the franc zone currencies, the free transfer of capital and the regulation of trade and the centralization of members' monetary resources in the BCEAO. The bank is thus responsible for the issue of money and places strict conditions on the monetary policies of member countries. And the bank opens the way to an economic union among the member states, in this case, the

West African Economic Community or CEAO.

The critics of this arrangement maintain that France continues to dominate the monetary policies of the franc zone states. When there is a devaluation in France, the CFA is devalued proportionately. The parity between the two currencies, agreed on in 1958, is one CFA franc to 0.02 French francs.

West African ministers expressed concern in late 1978 and early last year when France entered the European Monetary System without consulting the franc zone members. As a result, a special ministerial meeting was called hastily so that the French minister of the economy could reassure the Francophone partners in Africa that their own interests would be protected within

the proposed EMS. The most severe critics simply claim that independent African countries have had to sacrifice some of their sovereignty for membership in the franc zone.

Visitors, and especially businessmen, visiting franc zone countries are always amazed at the influence of France and its business interests. Again, they point to the existence of the zone as a means by which the entry of French investment, under profitable circumstances, has been facilitated since well before independence.

This arrangement has occasionally created tension among the participants. When one country has a severe balance of payments deficit, as has been the case of Senegal in the last year, the BCEAO draws from

(Continued on Page 15S)

ECOWAS

Nigeria Faced With Task of Making Oil Money Work for All

By Nii K. Bentsi-Enchill

LAGOS (IHT) — As the world's fifth largest oil producer with a gross national product on the continent second only to that of South Africa, Nigeria offers a good example of the development challenge facing ECOWAS countries in particular, and Africa in general. And although Nigeria's \$33.3 billion GNP dwarfs that of its community partners, the headaches of putting it to work for the estimated 70 to 100 million Nigerians are correspondingly greater.

Since independence in 1960 Nigeria has passed through civilian government and regional federation, ethnic massacres and political assassinations, nearly three years of civil war and another decade of military government. During that time a head of state was assassinated, and the central government consolidated its power. The country's political structure has been modified from three regions to 12 states, then 19 states, and there is now some pressure to create additional subdivisions.

Nigerian politics are often viewed as a power struggle among the elites of three major ethnic groups — the Yoruba, Ibo and Hausa — but this is an oversimplification. And although tribalism, nepotism and corruption have taken their toll on economic performance, other factors intervened as well.

The civil war and the meteoric rise in world oil prices dictated the course of events during the 14 years of military government in Nigeria, turning ethnic balance and allocation of revenue into major political issues. That some degree of stability has been maintained was evidenced in the relatively uneventful 5-stage general elections held last year and the peaceful transition to power of President Shehu Shagari's National Party of Nigeria.

Oil, which accounts for 90 percent of Nigeria's exports and foreign revenue, is at once part of the problem and part of the solution. It has greatly aided the central government in consolidating control of the states through budgetary allocation, but the oil boom has created a structural imbalance in the economy.

'The coincidence of the oil boom and the crisis in agriculture provides some confirmation of the contention that increased investment in agriculture can be counterproductive when it results in capital-intensive production that bypasses the peasant farmers and blocks their access to credit and sometimes even to fertile land.'

Most experts agree that Nigeria's agriculture is in crisis and is having difficulty producing enough food to feed the population. Beginning in 1970, but especially since 1975, food prices in urban centers have risen faster than other prices and far above minimum wages in both the public and private sector. Imports of food staples such as wheat, rice, fish, meat, milk, sugar and the oils and fats that were once the basis of Nigeria's exports have increased dramatically, using up hard currency that could have gone into development projects. And the volume of agricultural exports is declining.



Shehu Shagari

Cocoa has fallen off considerably, and groundnuts and palm oil exports have collapsed entirely.

The coincidence of the oil boom and the crisis in agriculture provides some confirmation of the contention that increased investment in agriculture can be counterproductive when it results in capital-intensive production that bypasses the peasant farmers and blocks their access to credit and sometimes even to fertile land. Serious rural labor shortages also result due to migration of young people to urban centers.

The price hikes set by the Organization of Petroleum Exporting Countries in 1973-74 resulted in an increase

naira. Construction of the necessary infrastructure will be costly as reflected in this year's budget allocation of 2.26 billion naira to education.

Pitfalls of overambitious development programs are many. Projections did not take into account a 40 percent drop in oil revenues in 1978, nor was any allowance made for collusion between government officials and local and foreign businessmen.

The clearest illustration of such collusion is the 1975 cement scandal. Nigeria ordered more cement — 20 million tons — than the combined export capacity of Europe and the Soviet Union. This resulted in phenomenal congestion at the Lagos port and a final cost to the government of nearly \$2 billion in various settlements as well as a \$1.6 billion budget deficit for that year, according to one estimate.

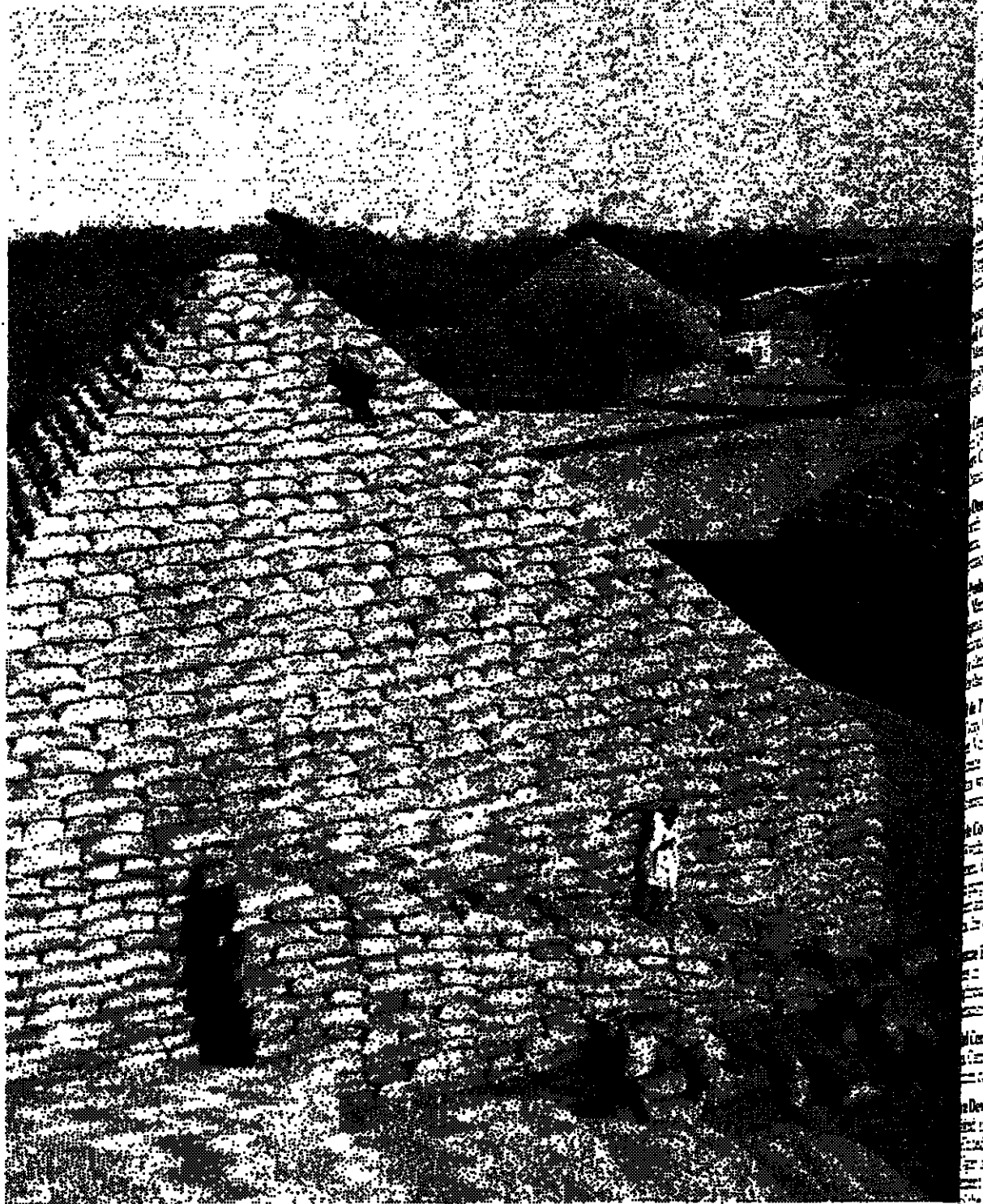
Nigerian commerce moved ahead rapidly in the past decade as a flood of international and local contractors turned up to supply the needs of the big-spending government. The government was eventually forced to ban completely or impose quotas on the import of certain goods in order to conserve foreign exchange as well as resort to pre-shipment inspection, particularly of industrial raw materials and spare parts, by a Swiss firm to ensure minimum quality standards. The civilian government recently ended inspection of these items as well as of books.

Industrial investment has been concentrated in low-technology light manufacturing rather than in the capital goods necessary for greater autonomy. Motor vehicle assembly plants have been springing up around the country — Peugeot, Volkswagen and British Leyland, for example — but cynics point out that such ventures have a low value-added component and, in any case, high-technology is doing the same in Japan and the West while low-paid Nigerians are just now starting in on it.

Negotiations with foreign investors for an integrated iron and steel industry finally produced results after more than a decade of effort when an agreement was signed last year with a Soviet firm for construction of a 1.2-billion naira blast furnace and steel works at Ajaokuta. West German firms are scheduled to complete a direct reduction plant at Warri by the end of next year. Steel rolling mills are planned for Katsina, Jos and Oshogbo, and a 45-million naira machine tools plant has made a start in Oshogbo.

Petroleum earnings are expected to continue to fuel the economy, and it is predicted that Nigeria's vast reserves of natural gas will eventually take over and generate even greater revenue by the end of the century. The oil industry and refinery construction already share roughly one-third of the budget with manufacturing, and the development of liquid natural gas is expected to play into this give-and-take relationship.

The role that oil and natural gas will play in the Nigerian economy in the next 20 years are of crucial importance for West Africa as well. The federal military government proved ready and willing to use its political power last year by taking full control of shares in BP (British Petroleum) in order to influence the British government before the Lusaka Commonwealth Ministers conference. It remains to be seen what action President Shagari's government will take to insure that Nigerians will benefit fully from the nation's wealth.



Although oil is Nigeria's big money-maker, peanuts, stacked in Kano, are an important source of income. Officials are worried about declining agricultural exports as more people move to urban centers.

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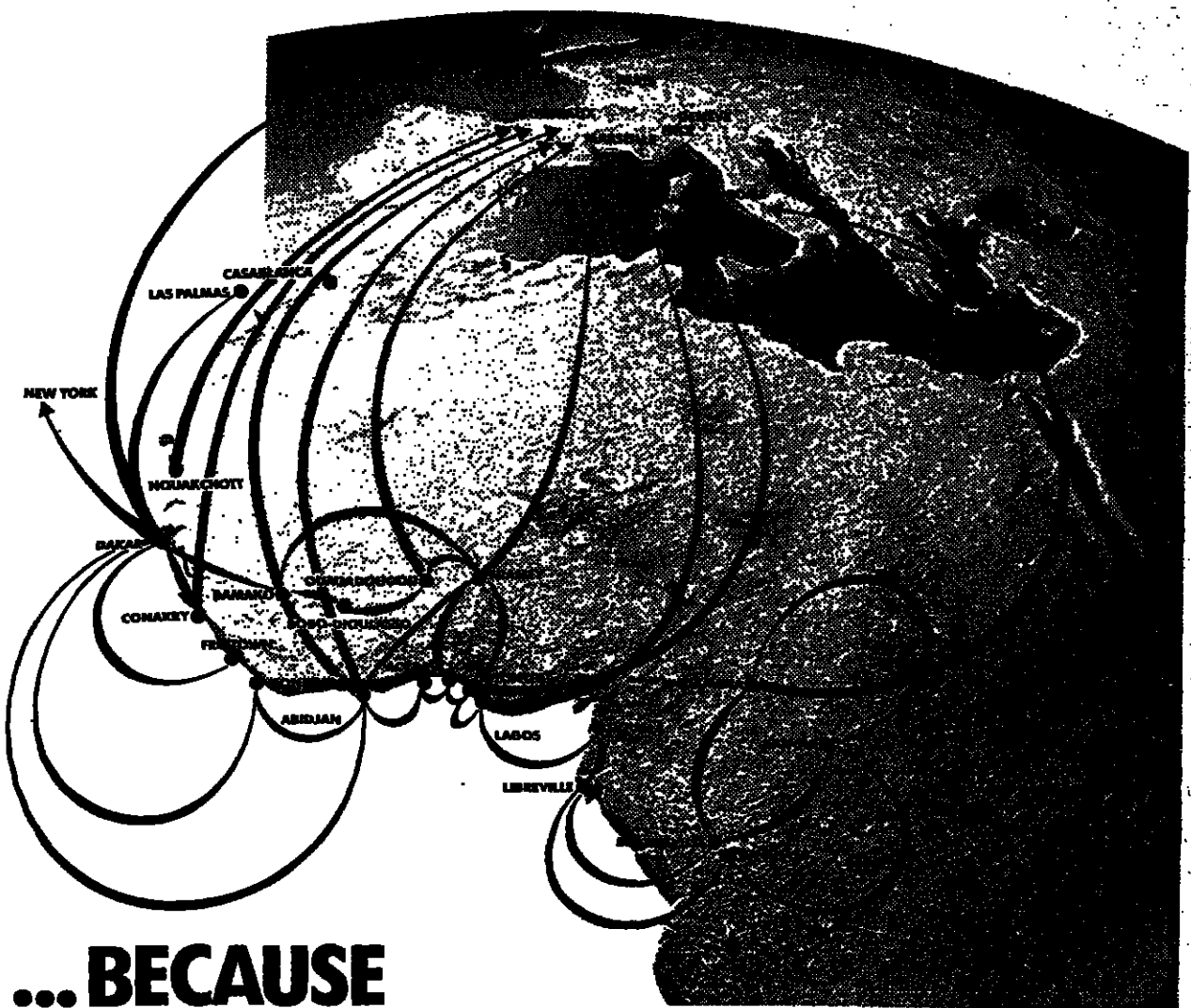
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ECOWAS

Organizations for All Seasons

numerous subregional organizations in West Africa are important in the strengthening of ECOWAS, although some will be redundant as the community expands. Some are:

African and Malian Common Organization (OCAM). Established in 1966 and based in Bamako, Central African Republic, OCAM is a regional organization of 11 member states: Benin, CAR, Ivory Coast, Mauritania, Niger, Rwanda, Senegal, Togo, Upper Volta, Guinea, and Mali. OCAM seeks to strengthen economic, technical, social and cultural relations between member states. Much of its influence has been in the area of more effective regional organizations have sprung up.

African Society for the Development of Millet and Sorghum (ASDIMS). Established in 1962 with headquarters in Niamey, Niger, Sudan and Upper Volta. The society studies the construction of mills to process millet, sorghum and other grains and also trains technicians in the field.

Central des Etats de l'Afrique de l'Ouest (CEAO). Established in 1962 with headquarters in Dakar, Senegal. Members are Benin, Niger, Senegal, Togo and Upper Volta. It issues a franc.

Organisation pour la Mise en Valeur du Fleuve Senegal (OMVS). Established in 1972 with headquarters in Dakar. Members are Mali, Mauritania and Senegal. The goal is to coordinate development of the Senegal River Basin and specifically involves control of the water supply in the three countries.

Comite Inter-Etats de Lutte Contre la Secheresse dans le Sahel (CILSS). Established in 1973 with headquarters in Ouagadougou. Members are Benin, Niger, Senegal, Togo, Mali, Mauritania, Niger, Senegal, Chad and Upper Volta. The committee has drawn up a plan through the year 2000 for the coordinated development of the Sahel region.

Niger River Commission. Established in 1964 with headquarters in Niamey, Niger. The objective of the commission is to coordinate development of the Niger River Basin. Members are Benin, Cameroon, Chad, Guinea, Ivory Coast, Mali, Niger, Nigeria and Upper Volta.

West African Clearinghouse. Established in 1975 with headquarters in Freetown, Sierra Leone. The clearinghouse promotes the use of local currencies for subregional trade and advises members on the use of foreign currency reserves. Members are the central banks of Benin, Ghana, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta.

West African Examinations Council. Established in 1951 with headquarters in Accra, Ghana. Members are Benin, Ghana, Liberia, Nigeria and Sierra Leone — English-speaking countries of West Africa. The council conducts academic examinations in member countries. It is composed of 42 members named by governments and national committees as well as representatives from Cambridge University and the University of London.

West African Health Secretariat. Members are English-speaking West African states.

Gambia River Development Organization (OMVG). Coordinates the development of the Gambia River basin for Senegal and Gambia.

West African Rice Development Association (WARDA). Based in Monrovia, Liberia, the association aims at achieving self-sufficiency in rice production for the region. All ECOWAS states are members.

Mono River Union. Established in 1973 with headquarters in Freetown, Sierra Leone. The union seeks to liberalize trade between Liberia and Sierra Leone through a customs union. Guinea is expected to join in the fall, but recent political upheaval in Liberia has cast some doubt on the project.

Nigeria-Niger Joint Commission for Cooperation. Established in 1971 with headquarters in Niamey. The commission is intended to smooth out economic relations between the two countries. One of the problems is the delicate issue of trade between the Hausa populations of northern Nigeria and southern Niger. Much of Niger's livestock production ends up in the markets of Kano, Nigeria, rather than in Niger's capital of Niamey.

Nouakchott-Lagos Highway Coordinating Committee. Headquarters in Nouakchott, Mauritania. The committee is part of the United Nations Economic Commission for Africa and is a coordinating body. It is composed of Mauritania, Niger, Senegal, Guinea-Bissau, Ivory Coast, Liberia, Mauritania, Nigeria, Senegal, Sierra Leone and Togo. The committee is responsible for implementation and financing of a road to stretch along the coast of West Africa.

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Liberia: Aftermath of a Coup

By Nii K. Bentsi-Enchill

MONROVIA, Liberia (HT) — Many observers said they had foreseen the April 12 coup that toppled President William Tolbert, head of Africa's oldest independent nation. But no one had imagined that the 11-year rule of the True Whig Party would be ended by a group of non-commissioned officers and result in Tolbert's death as well as the execution of 13 of his senior officials.

Ordinary people rejoiced in the streets following the executions, hailing Master Sgt. Samuel Doe and his People's Redemption Council as the country's saviors. The council and a civilian cabinet, which includes three members of the Tolbert administration, now rules the country. The United States, Liberia's principal creditor with assets amounting to some \$500 million in the country, has refrained from public comment on the coup, except to join in the general condemnation of the executions.

Observers point out that leaders of other African nations have not rushed to accept the new men in Liberia. Several Liberian officials were refused permission to land in Lagos in April to attend meetings to prepare for the Organization of African Unity summit in Sierra Leone next month. Liberia holds the OAU chair until the Freetown meeting, but there is some question whether Sgt. Doe automatically assumed the position occupied by Tolbert.

Military Takeovers

Although military takeovers are not uncommon in West Africa, they have usually been led by the officer class, which often has ties with civilian elites. Observers say the fact the coup was carried out by noncoms and soldiers made it more difficult to accept.

The old order in Liberia was characterized by the domination of the indigenous population by descendants of freed slaves from the United States who, with the aid of the American Colonization Society, established a coastal enclave in 1822. The territory moved inland with the help of treaties and armed backing from the United States. A declaration of independence in 1847 established a constitution that remained in force in most of its original form until it was suspended at the time of the coup.

The national motto — "The Love of Liberty Brought Us Here" — effectively excluded the indigenous population that vastly outnumbered the settler group (about 25,000 out of 1.7 million). The flag is modeled on the Stars and Stripes, there is a senate and a house of representatives, the seat of government is called the capitol and the U.S. dollar is the national currency.

Liberia was reserved for the elite, tightly knit through intermarriage and official nepotism, while the natives were condemned to hard work. Liberia was denounced by the League of Nations in 1930 for exporting forced labor to the island of Fernando Po. This slaveholding mentality persisted for many more years.

The settler elite played an intermediate role between foreign capital and the local population. Liberia was often called the "Firestone Republic" after a million-acre concession was granted to the American rubber company in 1926 under very favorable terms. The rubber tappers working for Firestone and other concessionaires remained underpaid and unorganized right into the 1970s while foreign and local interests made steady profits from rubber throughout the century.

This notion of concession can be applied to Liberian politics as well as to the economy. After an initial period of pre-eminence by mulatto settlers, "men of ebony complexion" came to the fore and founded the True Whig Party in 1869. The TWP subsequently organized Liberia's affairs around the interests of the elite. Concessions in rubber, mining, and timber, and the gradual domination of commercial activity by Lebanese and Syrians resulted in a situation where five out of seven businesses are foreign-owned. The biggest employers are either totally foreign-owned (Firestone) or in joint partnership with the government such as LAMCO, the Liberian-American-Swedish iron ore mining company.

The party played the role of middleman, collecting commissions — officially, state revenue, and unofficially, kickbacks — from foreign and local business interests, as well as from local people who as officials were obliged to contribute to the party coffers from their salaries.

During William Tubman's 27-year presidency, the party machine was finely tuned. His "open-door" economic policy encouraged a large influx of foreign capital, but an

even greater outflow in rents, dividends, commissions and profits. Tubman ruled with a skillful blend of patronage and ruthlessness, prolonged by harassment of any opposition. He saw the need to bring elements of the indigenous population within range of sharing the fruits of this policy but was nevertheless convinced that only a minority could ever be "civilized."

When former vice president Tolbert succeeded Tubman on his death in 1971, a new era appeared about to begin.

Tolbert wore the open-collar "political suit" instead of the traditional top hat and tails. He took up Tubman's policy of unification of the country's peoples and preached tolerance with liberalism. Economic policy became more nationalistic with increased government participation in mineral and agro-industrial exploitation.

The Firestone concession was renegotiated in 1976 with a reduction in the concession area from 1 million to 289,000 acres. Land rent was raised from 6 cents to 50 cents an acre, and Firestone became liable to taxation for the first time. Although there were several other concessions apt for renegotiation, the government feared that foreign capital would be frightened away by such actions, and revision of concession agreements ceased.

The Tolbert administration continued backing the "open-door policy," even though a 1973 World Bank report estimated that out of every dollar earned in Liberia only 16 cents stayed in the country. The government proclaimed the virtues of "humanistic capitalism" and launched slogans such as "from mats to mattresses" to reflect social concern.

Meanwhile, 34 percent of the population continued to own more than 60 percent of the wealth, roughly 80 percent of the population lived in the depressed rural areas where the most fertile land had been occupied by rubber and timber concessions. In the urban areas unemployment had reached 30 percent and was rising.

Social and political tensions suddenly accelerated last year after a slow buildup of opposition forces during the decade. A self-help organization called Shunkun, Inc. was formed in 1971 and broadened in a sister organization called the Movement for Justice in Africa (MOJA).

In 1973, led by the economist, Togba-Nah Tiptoh. That same year in the United States, Liberian students formed the Progressive Alliance of Liberia (PAL), moved to Monrovia in 1978 and were allowed to register as the Progressive People's Party, but only after much effort, despite constitutional provision for a multi-party system.

As part of its development program, the government declared in the mid-1970s that Liberia would be self-sufficient in rice by this year. With the deadline approaching and the goal still far off, a proposal was made last year to stimulate local production by increasing the producer price, which would mean an increase for the consumer from \$22 to \$30 for a 100-pound sack of rice.

Consumer Burden

The burden on the ordinary consumer was great as many Liberians earn less than \$100 a year, and the PAL called a demonstration to protest the price rise. The government reacted hastily, and the police fired on demonstrators, killing at least 100 and wounding several hundred more. Rioting ensued, which reportedly caused \$36 million in damages.

The mayoral elections for Monrovia were postponed in November, officially because of political tension, but also because it appeared official candidate Francis Horton would lose to independent Amos Sawyer, a member of MOJA.

The TWP threatened to invoke a constitutional clause on mayoral elections to counter Mr. Sawyer's popular support, but at the president's initiative, postponed the voting on the promise of removing the clause during the next session of the legislature. Until the April 12 coup, there was no universal suffrage in Liberia.

However, the Progressive People's Party suddenly called for a general strike early in March with the goal of bringing down the government. The leader, Gabriel Bacchus Matthews, and more than 100 party members were arrested and many of them were due to face trial on charges of treason and sedition — the first charge carrying the death sentence.

Some soldiers had also been arrested along with PFP supporters, and it was later recalled that soldiers had been found to be "disloyal" during the events of April last year, allegedly for taking part in the looting.

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STRENGTHENING THE BASES FOR ECONOMIC AND SOCIAL PROGRESS IN GHANA

Industry breeding has shown considerable improvement since 1965. The problem that now faces the industry is one of inadequate feed and feed-ingredients. With the new agricultural policy, or emphasis is to be placed on removing this bottleneck. Additional hatcheries are being set up to produce and supply day-olds to farmers.

Imports of cattle from neighbouring Mali and Upper Volta, where conditions are favourable for cattle breeding in the country, have been decided to establish more ranches in the country since the experimental ones have proved very successful. Goats are kept in small units by farmers throughout the country. With the assistance of UNDP two centres have been established at Jura and Juaso for the supply of improved breeding stock to the operations of these centres are to be extended under the crash agricultural programme.

The new policy of Government will be to concentrate on the development of inland fresh water fish farming and the fishery resources of the Volta Lake and other big rivers will be more intensively to supplement catches by marine vessels.

SOCIAL SERVICES

Programmes in the Social Sector have over the years been directed at meeting the basic human needs of society on a sustainable basis. The health sector emphasis is placed on primary health care aimed at extending the coverage and improving the quality of service to the rural areas. Under the programme, it is expected that 70% of all Ghanaians will be covered by the year 1990. Under the programme, pilot projects have been mounted at Dofin in the north and Kintampo in the north of the country. These have facilitated the training of village health workers in community participation. Immunisation has also been carried out in the country with WHO assistance and plans are under way for a National Expanded Immunisation Programme. With Japanese assistance a magnificent Research Institute (The Noguchi Institute of Medical Research) has been established for scientific research into tropical diseases.

Centres for Research into Plant Medicine will soon start producing local plants and herbs for clinical use and for the improvement of traditional herbal practices in the rural areas.

Human settlement conditions are being improved both for the rural and urban dwellers, through cooperative housing schemes and state institutions. Sites and Services and Slum upgrading programmes are being initiated in five major towns of the country. These programmes will improve living conditions of about 200,000 people. In addition to the co-operative housing schemes, the rural people are assisted through the Roof Loans and Protection Schemes to roof their uncompleted houses and to upon their houses through the plastering and painting of walls and provision of doors, windows and drainage facilities.

A need for the proper disposal of human wastes cannot be overlooked in our human settlements. Appropriate technologies are being studied to take care of this problem.

The Social Welfare area, probation, delinquency, after-care and other services are available in all the nine regions of the country. For the over 357 Day Care Centres registered in the country, training of staff is undertaken at the National Day Care Training Centre at Madina. Vocational training for both literate and illiterate is provided in about 14 women's training institutes and for men and young men in about four trade institutes.

Projects including school buildings, postal agencies, community centres are undertaken through community effort to supplement government's programmes to improve the quality of life of rural communities.

In response to the major international movements for the advancement of the rights of women and children, two Commissions have been set up: the National Council on Women and Development and the National



Mothers are encouraged to take advantage of modern techniques in child care without sacrificing what is noble in the traditional way of handling of children.

Commission on Children) have been set up to ensure that planning and implementing agencies include in a more affirmative manner programmes for improving the social and economic conditions of women and the conditions for the optimal development and growth of the Ghanaian child.

EDUCATION AND TRAINING

Ghana has enjoyed free education since 1957 and universal free education since 1961. This has led to great achievements in the production of skilled manpower to man the various sectors of the country's economy. Presently, Ghana has about 70% of the children between 6-14 in school.

At the secondary level of education enrollment has increased from 17,000 at independence (in 1957) to 136,000 in 1977/78.

In 1957 there was only one university with an enrollment of some 800 students. Presently there are three universities enrolling some 10,000 students, offering courses in Medicine, Engineering, Mining and Mineral Science, Computer Science, Teacher Training, African Studies, Journalism, Communications and Law.

In the provision of free and universal education, Ghana spends about 20%-25% of the national budget annually on education. At present, Ghana is in the process of reviewing its education system with the objective of gearing it to the changing manpower requirements of the economy.

Apart from the formal education system, there are a number of training institutions both technical and managerial, which mount specific training programmes for the development and up-grading of skills needed in the various sectors of the economy. Prominent among these are the National Vocational Training Institute, the Management Development and Productivity Institute, Ghana Institute for Manage-

ment and Public Administration, the Government Secretariat Schools and School for Accountancy Training.

Under the economic policy of the present Government, efforts are being made to redirect resources in the productive sector towards the rehabilitation of the extensive capacity of the country for increased production, particularly, of food, raw materials and exports.

In recent years Ghana's economy has passed through a period of severe difficulties. For three years from 1975, the country suffered from poor harvests in food crops and low output of industrial raw materials and export goods. In that year alone, agricultural output fell by 24%, causing widespread shortages throughout the country. The poor performance of the export sector resulted in a worsening balance of payment position, which was compounded by a rising petrol bill. The nation's ability to import raw materials and spare parts to maintain a reasonable level of capacity utilisation in industry was seriously impaired. The Gross Domestic Product declined by 12.4% in 1975 and a further 3.7% in 1976.

In 1977, however, there was a modest recovery when a growth rate of 3.6% was recorded. The improvement has continued since then, but the impact of all this on per capita income has not been significant. Inflation has been another problem. In the wake of huge budget deficits, financed by direct borrowing from the central bank, money supply increased rapidly over the period exerting a strong pressure on prices. Given this expansionary monetary policy and the weak supply situation, the rate of inflation rose rapidly to 30% in 1975, 60% in 1976, reaching a record of 116% in 1977. Stabilization measures adopted in 1978 and subsequently, have had a considerable moderating influence on prices and the indications are that the rate of inflation will be reduced far below the current rate of 40% if present policies and programmes hold over the next two years.

In order to maintain the momentum of economic recovery, measures have been taken to contain monetary expansion and improve the supply situation. The 1979/80 budget proposed to reduce the size of the deficit from the 1978/79 level of (C1,864.8 million to (C513 million. Expenditure control has been so rigidly tightened that in spite of a recent award of wages and salary increases to civil servants the budget output is not expected to exceed (C600 million in deficit.

The move is aimed at ridding the budget of wasteful expenditures, particularly in the non-revenue earning portion of the budget. In the capital estimates items of low priority have been dropped, and a number of construction projects have been postponed. On the supply side, Government has launched a 2-year agricultural programme aimed at encouraging increased production of food, raw materials for agro-based industries and export crops to increase foreign earnings. The import programme has been restructured to permit a higher level of capacity utilization. The key words in the Government's policy guidelines are rehabilitation, retraining and redirection, with agriculture as the focal point.

POWER DEVELOPMENT

A basic ingredient in the country's growth effort is the development of cheap sources of power. In 1961 the Volta River Authority was established, among other things, to develop a hydro-power project on the Volta River. By 1972 six generating sets had been installed at Akosombo bringing the total installed capacity to 900 MW, capable of generating 5,650 G.W.h/yr. In 1973 a transmission line was built from Akosombo to neighbouring Togo and Benin, which now enjoy power from the Volta River project.

From the long term load demand forecasts based on the anticipated rate of industrialization, it has been realized that extra sources of power would be needed by 1981. To meet these future demands, work is at an advanced stage on the construction of a second dam downstream of Akosombo, at Kpong. It is expected that by mid-1981 the Kpong project would be in commission. Kpong is planned for an installed capacity of 148 MW with an annual output of 1,000 G.W.h/yr. The project will create a pond of 1.3 million cubic metres. As part of the project, a resettlement programme has been launched

to resettle about 7,000 people in six modern villages and provide them with facilities for irrigation.

Power development in Ghana has been conceived in the future power development of the West African sub region. The Kpong project will be linked to the existing Volta Grid which presently supplies power to Togo and Benin. Ghana and Ivory Coast have established a Power Interconnection Committee to implement the interconnection of the power systems in the two countries. And studies have been completed on another dam up-stream Akosombo at Bui for hydro-power. It is envisaged that this project will benefit Upper Volta as well.

Apart from development on the Volta River, there are plans to study other rivers especially in the Western and Central Regions of Ghana for hydro-power development. The realization of these programmes will make it possible to spread industrialization in the country, especially to exploit the wealth of the Western Region in the form of timber and minerals.

AGRICULTURAL POLICY

About 70% of the population of Ghana is engaged in the agricultural sector, mainly on small farm holding averaging about 3½ acres per farmer. A number of large scale farms have recently sprung up engaged in rice, rubber, oil-palm and sugar production but the small farmers still produce about 90% of all output from the agricultural sector. Thus the small farmer plays a crucial role in the economic development of the country and policy must of necessity take account of the needs of the small farmers.

Except for the Accra plains, the southern half of the country experiences two rainfall seasons a year and this makes it possible to grow crops twice a year. In the northern half of the country, however, there is only one rainfall and crop season extending from May to October.

The major crops grown in Ghana are maize, rice, millet, guinea corn, cocoa, cotton, rubber, oil-palm, tomatoes, pine-apples, coconuts, leaves of various types, okras, pepper, onions/shallots, citrus, bananas, mangoes, avocado pears, cassava, yams, cocoyams and plantain.

As a result of poor rainfall experienced for three consecutive years from 1975 to 1977, the Government has decided on an extensive irrigation programme in the food growing areas of the country. This is to be linked with regional integrated rural development projects for each of the nine regions of the country. These are already in existence. The Upper Region Agricultural Development Project, the Northern Region Rural Integrated Project, the Volta Region Agricultural Development Project, the MIDAS Project and others are due to start in the Central, Western and the Greater Accra Regions. These projects focus on the small-scale farmer, providing him with a package of inputs and facilities that will enable him improve on his productivity.



Presently Ghana has about 70% of the children between 6-14 years in school.

ECOWAS

Ghana Aims at Comeback,
Halt in Economic Decline

By Nii K. Bentsi-Enchill

ACCRA (IHT) — From its proud beginning in 1957 as the first black African country to gain independence, Ghana has seen a steady decline of its economic and political fortunes.

The deterioration has been particularly rapid in the last decade. The new-born nation with a healthy balance of payments has grown very old for its 23 years. Ghana is saddled with chronic economic and political ailments and a sack of debts.

Endowed with an impressive array of natural resources — gold, diamonds, bauxite, manganese and timber — with cheap power available from the Volta Dam at Akosombo, Ghana was once the world's leading producer of cocoa. Cocoa production reached an annual peak of nearly 600,000 tons in the mid-

1960s and stayed well above 300,000 tons for about a decade more.

The latest government budget describes the nation's current grave economic situation: "Production and exports of cocoa have declined due to ageing trees, shortage of labor, relatively low producer prices and an increasing scale of smuggling. Mineral production continues to diminish as a result of the near exhaustion of some of the mines and the shortage of some vital equipment and spare parts. Timber production and exports have remained well below capacity since 1974, partly as a result of the slowing down of world demand. And the policy banning the exports of round logs to make them available for domestic processing has not yet had any impact because the indus-

try is just now building up its capacity for processing.

"The reduction in the volume of Ghana's exports has occurred in spite of the improvement in world prices for cocoa, gold and other minerals. As a result of this, Ghana's external reserves have remained below levels necessary for uninterrupted trade and general external solvency."

The first prime minister and president, Dr. Kwame Nkrumah, had great plans for industrial development and laid an infrastructure in the early 1960s which still compares favorably with other West African countries. Nkrumah had a vision of the Volta Dam feeding power to the new port at Tema with its growing import-substitution industrial complex. Hydroelectric power would also feed an aluminum industry exploiting Ghana's bauxite and help

VALCO aluminum smelter used some 60 percent of the hydroelectric power purchased at extremely cheap rates to smelt bauxite imported from Jamaica for re-export.

Some of Nkrumah's import-substitution industry was dismantled by the National Liberation Council junta of soldiers and policemen. Nkrumah's denunciations of imperialism and neo-colonialism had alienated his Western creditors while Ghana's balance of payments deteriorated. He turned to the Soviet Union and other East European countries, but they did not provide credit, and increasing shortages of consumer goods helped provide the coup-makers with credible motives.

After his overthrow, the state farms that were not sold off were allowed to stagnate. While cocoa prices fell resulting in a foreign earnings shortfall of \$80 million, the freeing of import controls led to the accumulation of huge short-term debts.

An austerity budget in 1971 imposed a development levy on all sectors of the population further alienating the Busia government from its original political base in the middle class. The government dissolved the Trades Union Congress by the end of that year after repeated conflict with organized labor, and in a fatal move inspired by the desire to reduce public expenditure, cut the defense budget. The final straw was a devaluation of the cedi by over 40 percent at the beginning of 1972. Six days later, when Busia was in London for medical treatment, the soldiers took over again.

This time it was a National Redemption Council, led by the then Col. Ignatius Acheampong, that took power. Intoning the theme of past "economic mismanagement," the populist military government launched the slogan and policy of "Operation Feed Yourself" to achieve agricultural self-

efficiency — briefly successful in rice production by 1975 — and "Operation Feed Your Industries," an allied program to halt the foreign exchange drain.

The military regime — transformed by a palace coup into the Supreme Military Council in 1975, and by another one into the Supreme Military Council II in 1978 — presided over spectacular corruption and speculation whose roots

reached back to the time of Nkrumah's CPP.

Record cocoa prices up until the 1977 peak were counterbalanced by illicit diversion of significant portions of the revenue and cocoa smuggling into Togo and Ivory Coast which reached 50,000 tons a year. Galloping expenditures on the armed forces, steeply rising oil import bills after 1974, misuse of import licenses for profiteering and unauthorized capital transfers all nourished budget deficits which reached \$2 billion in 1976 and 1977. The money supply rose by 80 percent annually while the currency's value fell by 10 percent per month and inflation climbed to 400 percent for some local food items. By June 1979, the total external debt stood at some \$1.3 billion.

Real wages are estimated to have regressed 20 years. This staggering deterioration brought an increase in strikes and student demonstrations from 1976 onwards. Gen. Acheampong attempted to change military rule into "Union Government" with participation by individual politicians by way of a rigged referendum in March 1978. His successor, Gen. Fred Akuffo, tried to negotiate a more cautious retreat for the military but succumbed to pressure and allowed party political activity beginning in January 1979.

On June 4 last year junior officers channeled a mutiny in the lower ranks into a revolution. The whole officer class was threatened, and eight senior officers, including Generals Acheampong and Akuffo, were executed by firing squad.

"People's courts" tried and sentenced roughly a hundred soldiers, businessmen and civil servants to stiff prison terms, and led by Flight-Lt. J.J. Rawlings, pursued a "housecleaning" which resulted in the collection of several hundred million cedis in taxes and duties, a purge of the state organizations and the destruction of major street markets in Accra and Kumasi.

This Armed Forces Revolutionary Council allowed general elections to take place last year on June 18 but did not hand over power until two months later. The new president, Dr. Hilla Limann, and his People's National Party, which claims descent from Nkrumah's CPP, have begun their term in office with the economy at rock bottom and a political situation which

they do not appear to have the means to master.

Ghana and Ivory Coast, which concluded an agreement under which Ghana will buy 200,000 watts of electricity from Ivory Coast "in times of emergency," are soon-to-be completed Kpong Bui dams will complement electricity supply from the Volta. However, power requirements expected to exceed this supply in 1985.

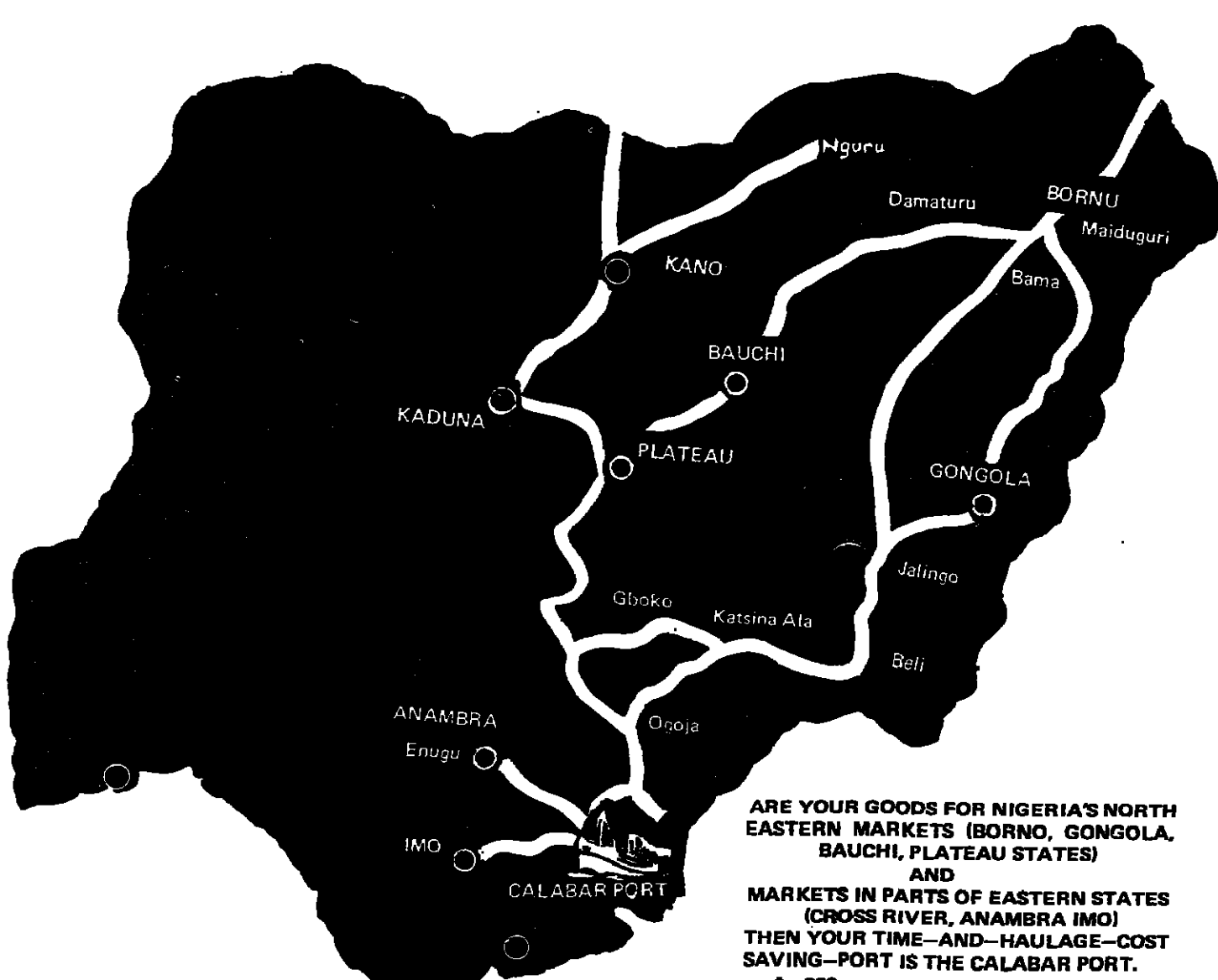
Quiet negotiations for foreign aid are taking place — some \$300 million has so far been contracted — "past economic mismanagement" the phrase used to describe Ghana's present economic woes.

Quiet negotiations for foreign aid are taking place — some \$300 million has so far been contracted — "past economic mismanagement" the phrase used to describe Ghana's present economic woes.



Girls in Ghana carry millet stalks to be used for making roofs. Traditional construction methods persist in rural areas.

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ECOWAS Wood U.S. Leaders In Washington

(Continued from Page 75)

Affairs Committee, termed ECOWAS mission "absolutely essential" to the improvement of exports of goods and services Third World markets. He said would try to muster congressional support for similar efforts in the future.

Mr. Quattara told the conference he "doesn't expect things to quickly," but said he was sure ECOWAS, in a "step-by-step" will bring about the economic revitalization of the region.

John Moore, chairman of the port-import Bank, told the conference his institution supported \$500 million in projects in the region, either through direct loan bank guarantees. He said he believed the members of the Organization of Petroleum Exporting Countries could well provide some financing for projects in the region through recycling of their petrodollars. He also raised the possibility of some OPEC nations providing financing in conjunction with the International Bank for Reconstruction and Development. Adebayo Adede, bank is an important instrument in U.S. export policy, providing term, low-cost financing for projects in developing countries.

Among American firms a conference were representatives of General Electric, IBM, Chase Manhattan Bank, First Penna Bank, Fullman-Kellogg, International Business Services and S. or Farming Machines.

Their meetings with ECOWAS delegates focused on agriculture and food processing, wood, oil, petrochemical industries, electronics and telecommunications, pharmaceuticals and extractive industries and transportation.

The delegates also met with representatives of the U.S. Chamber of Commerce to discuss the role of a U.S.-ECOWAS business council.

Seminars at Georgetown, Guyana, discussed economic and social development and included Carl Bell of the National Finance Corp., J. E. Carlson, staff head of the A-Subcommittee of the House Foreign Affairs Committee and T. Charles Samuels, director of World Studies at the Center for Strategic and International Studies.

TOGO NOUVEAU

Photos by M. KOFFI METCHOKO

TOGO IN PICTURES—The new International Bank for West African Development building; Animateurs greeting their President; La Lutte des Evalues (when President EYADEMA was a young man he was the champion); the President whilst visiting N'Djamena in the cause of peace; the magnificent Feb. 2 Hotel; a cowboy and his calf; the Port of Lomé; the Cement Clinker Ivorian-Ghanian-Togolese project, with access to the sea; potable water; a girl picking cotton and, finally, the President of the National Assembly, Monsieur A. Apelo-Amah.

Country's size belies its influence

By Rupert Bibra

It was with great pleasure that TOGO hosted the ECOWAS/CEDEAO summit 27-29 May, 1980 in Lomé and it was an honor for President EYADEMA to take the baton from President Senghor for his one year tenure of office as the Chairman of ECOWAS/CEDEAO (Communauté Economique des Etats de l'Afrique de l'Ouest)—Togo with Nigeria were the co-founders of ECOWAS/CEDEAO and now, after 5 years, this Economic Union is in its stride and all the initial hardwork pursuing Anglophone and Francophone countries to join together seems eminently worthwhile. As this supplement is published the "Responsables" of ECOWAS/CEDEAO will have crossed the Atlantic to attend a one week Georgetown Seminar—where Afrophiles like Andrew Young and Donald Easum will point the way to further development, underlining the support of the USA for this Economic Union—and a Washington, D.C. one day Conference. Dr. Diaby Quattara, the Executive Secretary has his offices in Lagos; Robert Tubman, the Managing Director of the ECOWAS FUND/Fonds de la CEDEAO, has his office in Lomé; Kofi Djenda, the Chairman of the ECOWAS/CEDEAO Chamber of Commerce, also is Lomé-based and it will be time for him to hand over to Chief Lawson of Nigeria this Autumn—the Entente Cordiale of Anglophone and Francophone is real and lasting.

That TOGO has "an influence greater than its size would suggest" is not just by chance. For 13 years President EYADEMA has shaped the course of Togo's development with considerable success—the signing of both Lomé 1 and Lomé 2 in Togo's capital underlined the President's international interests and his desire for Economic co-operation. Togo believes in liberalism and is set against doctrinaire collectivism and a potentially unprofitable "battered" public sector, in fact there is a thriving private sector and the government would rather make changes in agriculture slowly than upset the complicated land tenure system that is largely to blame for the fall in agricultural production since 1969. Togo is one of the

few countries in Africa that spends more on Education than on Defence. The RPT (Rassemblement du Peuple Togolais) is a party of President EYADEMA's creation and it has instilled pride in the Togolese people; ask any man in the street if he is from Togo and all will reply: "100% Togolese". The Togolese are a resilient, happy people and accept the wider responsibilities now given to them—the Togo contingent in Zaïre proved to be a powerful and compact force—you only need to see our Commandos slow-marching on Parade Day to know our soldiers are well disciplined. Also, we have not lagged behind in giving women a public role; since March 3 two women have been in the Cabinet and the Animateurs show that women enjoy participating—outside the family circle.

The Quality of Life is important to the President. High on the list of priorities is potable water and electricity for all. Unless life in the country is made more attractive the lure of the towns will continue to denude the countryside and hold down agricultural production. The Financial Times recently commented that Togo is marvellously free of corruption, has kept inflation below 10% and looks like producing a balance-of-payments surplus this year—after 3 very difficult years, where the necessary thrust to industrialization had brought debt servicing to close on 30% of export receipts. The BULOE should have passed by 1984—all present Togo borrowing (like for Lomé Port Phase 2) will be for maturity of 5 years plus—and a bright future lies directly ahead with no budgetary deficits, as agriculture climbs back towards '69 levels, the mineral wealth of Phosphates and Gypsum produce handsome profits and Lomé Port's Entrepot trade expands.

Togo is ruled by the President, with the support of the Political Bureau (9 men, including President EYADEMA), the Central Committee of the RPT (33 men and women) and the 67 deputies of the National Assembly, presided over by the President's eldest son, Monsieur A. Apelo-Amah. Budgetary control is operated very tightly by the President and the Minister of Finance—no "overruns" are accepted

from Ministerial transgressors—and a real growth rate of 8% for 1980 can be cheerfully projected. The backing of the CFA currency by the French Franc has had its drawbacks, but mainly it has been a help and with 40 medium sized enterprises already located around the Port area and alongside the autoroute, Togo is well placed to offer industrial and business expansion, Lomé based, to the wide range of companies interested in tapping the large new ECOWAS/CEDEAO market. For those of you reading this who are interested, do get our Embassies to send you our investment code details: Britain—London 584 0056, West Germany—Bonn 366 077, Belgium—Brussels 701 791, France—Paris 380 12 13, the USA—Washington 234 4212 and Canada—Ottawa 238 59 16 (17).

Why not come to Togo on a holiday, December to March is probably the nicest time, and see for yourself the progress we have made. The Supermarkets are overflowing with goods, you can actually buy spare parts and all sorts of electrical and luxury goods are available at reasonable prices—from watches and whisky to cassette and Hi-Fi. There is a wide range of luxury and middle hotels—at the top and the Feb. 2, Soro-Karwa, Hotel de la Paix and Tropicana, backed up by the Bérin, du Golfe and Hotel Le Loe—in Lomé and in its neighborhood, whilst restaurants like the Mandarin and Le Berry and nightclubs like Pussy Cat and Copacabana offer something in the evening. Those who tire of the sea and the Loe can always venture inland—just an hour to K'Palime and the comfortable 30 Aout, or 4 hours to Lomé-Kara and the Hotel Kara. K'Palime is famous for its Ba-fila, Carved figures and Ceramics and is a town framed by Mango trees, the Flamboyant and forest clad hills but Lomé-Kara is famous for La Lutte, the wrestling matches held mid-June each year—the President comes from here and himself was once the Champion. It will do you no harm to see a few elephants, watch the tribal dancing, visit Kpalimé's museum and enjoy the sunny nature of the To-

golese for a few days after you have made your business study.

Phosphates are the greatest wealth of TOGO—there are over 300 million tons of highgrade Tri Calcium Phosphate "rock" with 77-79% active ingredient (so making Togo's one of the best qualities in the world), the mines are near the coast and a 25 kilometre railway brings the rock to Kpémé where the phosphate is crushed and turned into a fine sand with a particle size of 3 millimeters at the rate of 800 tons an hour. 250,000 tons are stored at a humidity of 1% and a covered conveyor belt carries it along a 1,400 yard jetty to 50,000 ton ships secured alongside. Togo is now producing at the rate of 3.5 million tons per annum and the 1980 selling price is up \$12 a ton on last year, so phosphates will surpass 40% of total export earnings this year and will do even better for Togo when the Superphosphate and Fertilizer plants are operating at planned capacity.

The Port of Lomé was built by the West Germans and President EYADEMA "opened" the new port 26 April 1968. The port quickly gained a reputation for efficiency and attracted a large Entrepot trade. Tonnage shot up from 314,992 tons in 1969 to 1,440,148 tons in 1977; in fact the port is now operating at above its designed capacity and a second Male will have to be built—20 billion CFA is needed for the Lomé Phase 2 project, to encourage still more bulk cargoes, tankers and sailing vessels. Already the Port has attracted to it an important industrial zone—the CIMTOG and CIMAOC cement Clinker projects (with a capacity of just on 2 million tons), the 50 megawatt power plant, the British built refinery—Togo refines Nigerian crude and sells it on the "spot" market, a 20,000 ton capacity steel mill, the flour mill, the Gnaouou marble cutting mill.

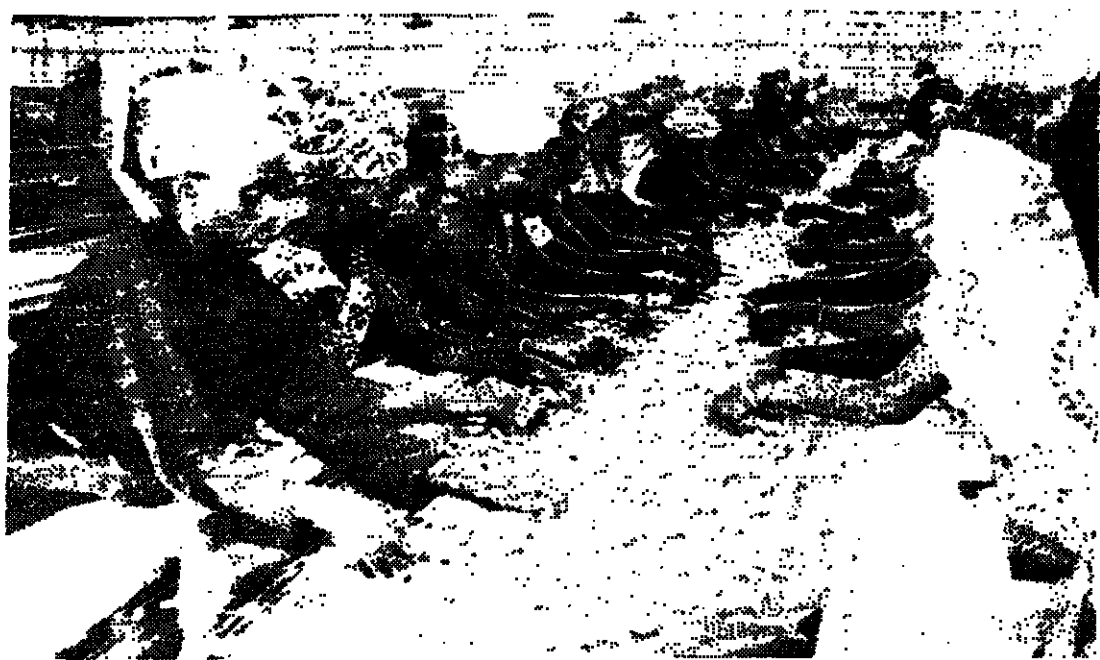
Agriculture is the priority of priorities in a country where 80% of the people depend on it for a livelihood. The agricultural range is quite extraordinary and new crops are always being considered; Cassava and yams, maize and rice, coffee and cocoa, oil palm, pepper, tomatoes, mangoes, pineapples, papaya, bananas,

kapok, cotton, carrots, onions, cauliflower, green beans... Just coffee and cocoa accounted for 30% of Togo's Export Receipts in 1979—thanks to the National Society for the Renovation and Development of the Coffee and Cocoa Industries. There is every hope now that Togo will get back to the harvest peaks of nine and ten years ago—for coffee the peak year was 1969 with 14,000 tons and 1978 provided the nadir with 4,800 tons. It seems that Togo can reach over 12,500 tons by 1985. Replanting is going ahead successfully in 15,000 hectares of this should be planted with coffee and the 1973 crop advanced by 25%. For cocoa the maturing time is 7 years and so recovery will take a bit longer. There are 37,000 hectares under cultivation (2.5 acres=1 hectare) and about 40% of Togo's cocoa plants are older than 20 years. It will be a long time before we can record a harvest like the 1969 25,000 tons or the 1971 peak of 27,880 tons, but 1979 topped 12,500 tons and 1985 should show over 17,000 tons again.

Cotton is the big success story, with a jump from 6,000 to 22,000 tons in three years and 30,000 tons for this year. Milling capacity is being expanded considerably and the new 20,000 ton capacity mill in Lomé-Kara is a model of its kind. Palm oil has been a bad performer and 19,000 tons in 1969 had slipped to 1,000 tons by 1978, but here again the government is taking a hand and Togo should be back to 5,000 tons by 1985 with equal crushing capacity. Whilst cotton is ideal for small scale farming, palm oil needs big estates—only 11% of Togo's land area is used for farming so there is room for expansion.

Maize has been another government success with 121,000 kws grown last year and only 8,000 tons imported, but rice performance was disappointing—11,000 tons grown for 6,000 tons imported. It is hoped heavily subsidized fertilizer and small irrigation projects will help to secure self sufficiency in rice by 1985. All this activity in the agricultural and livestock production sector is being actively encouraged by the World Bank and the French government.

ECOWAS



Women peanut sorters in Dakar, left, and textile workers are part of new Senegalese urban working class.



Drought, Oil Bills Confound Senegal

DAKAR, Senegal (IHT) — There was a time 20 years ago when President Leopold Senghor was fighting a bitter rearguard action to maintain Dakar as the capital of a federated Francophone West Africa. But he lost the battle, and today Senegal is isolated and its economy is in precarious condition.

Debilitating droughts have plagued the country for 10 years, and the effect on the agriculture and groundnut production, its mainstay, has been disastrous. Groundnuts account for about half of Senegal's export revenue in a good year, and groundnut processing is the country's major industry. Adverse climatic conditions have reduced the crop by half in two of the last three years. At the same time the price of imported oil rose dramatically.

The International Monetary Fund was called in, and last December Prime Minister M. Abdou Diouf announced an austerity program in the national assembly. He blamed both international economic conditions and government mistakes. The country, he said, was suffering from a serious trade deficit, foreign reserves were dropping, crime was rising in urban areas and there had been a series of sensational exposures of corruption in high places.

The balance of payments deficit was estimated two years ago at \$87

million, and though no statistics have appeared since then, private estimates suggest that there has been little improvement. Last year's deficit in foreign reserves was \$294.1 million, and debt service was calculated at \$107 million. The region's main issuing bank, the Banque Centrale des Etats de l'Afrique de l'Ouest, has restricted debt transfers while banks in Senegal are being asked to persuade their clients, mainly foreign and particularly French, to double their deposits.

Dramatic Example

Speaking to the national assembly in late February, Finance Minister M. Ousmane Sock gave a dramatic example of the kind of problem Senegal faces. This year's revenue from groundnuts will not cover the costs of petroleum imports, which will rise to 44 billion CFA francs.

The overall effect has been to reduce the purchasing power of the peasant producer — estimated to be half what it once was — placing an even greater burden on his ability to finance his investment for next year's crop. In April, the government announced a series of long-awaited reforms in the agricultural sector. The political opposition's campaign against the government has stressed the gradual erosion of

what initiative there is left to the peasant.

Over the years one particular organization, the Office Nationale de Coopération et d'Assistance au Développement (ONCAD) acquired a size and influence within the structure of agricultural production in Senegal that some described as monstrous and others as "a state within a state". It came to be responsible for the debts, the supply of seeds and fertilizer, and the marketing of most agricultural produce. Its effect has been to nullify the role of the once vaunted Senegalese co-operatives.

The government has announced a decentralization of ONCAD, which will strengthen the position of at least 10 regional organizations for agricultural production to which most co-operatives will have to answer. Much of the domestic marketing will be handed over to private companies and traders. The agricultural minister's hope is that this will reduce the rural exodus and, above all, increase food production, a controversial issue in Senegal.

No one knows exactly what Senegal's food deficit is. The government announced one figure at the end of last year — an almost 200,000-ton shortfall. An international team sent to Senegal reduced that estimate by half, and experts operating in the rural areas claim

that, in fact, there is no deficit. It is just that the marketing system has been so deficient that most peasants have simply held on to their crops. They have withdrawn from the domestic distribution system, depriving the urban centers of food supplies and giving rise to pleas for international aid. There are indications that peasants may be reverting from once-lucrative cash crop farming back to subsistence agriculture.

Alleviate Problems

It is felt in many circles, however, that the latest measures will go some way towards alleviating the immediate problems. The development of the Senegal River Basin within the framework of the regional group comprising Senegal, Mauritania and Mali — the Organisation de la Mise en Valeur du Fleuve Senegal — is still struggling to get off the ground. When the two principal dams along the river are built — construction has yet to begin, however — irrigation could reclaim almost 200,000 acres for Senegal. But there are still questions about what sort of investment should go into the area.

Fishing is a potential revenue earner for Senegal. Although there is still no accurate assessment of fish stocks, fishing could provide dramatic benefits to Senegal as both a food source and as a cash

crop. Tourism is currently the third major source of revenue for Senegal after groundnuts and phosphate. Officials are hoping for an increase in the price of phosphate on the international market.

The current economic malaise has aggravated political tension in Senegal. The president's cherished multi-party system operates in name and within the confines of the national assembly where the governing Parti Socialiste (PS) led by Mr. Senghor, is opposed by the Parti Democratique Senegalais, which has 16 of the 100 seats. There are two other official parties, one Marxist-Leninist and the other conservative — as the constitution requires them to be. They are not represented in the legislature. It has become apparent that the experiment has severe limitations and that some of the chief political figures have chosen not to participate in the exercise.

It is now acknowledged within the upper echelons of the PS, although not by President Senghor himself, that an attempt must be made to create a more flexible political structure to attempt the reconciliation of the regime's opponents. Some of the most important power brokers in Senegal — the leaders of the religious brotherhoods whose word is an order in the rural areas — would also favor such a change.

Ivory Coast Future Rests On Political Succession

By Alex Rondos

ABIDJAN, Ivory Coast (IHT) — Although the golden days are not exactly over in the Ivory Coast, the much-envied political stability and once-prosperous economy are posing problems for the country's future. President Felix Houphouët-Boigny is aging, and the question of who will succeed him is paramount.

Although the president has announced he will seek a fifth term, he also recently acknowledged the need to "put the train of democracy back on the tracks."

The Parti Democratique de la Cote d'Ivoire (PDCI), the country's only party, has scheduled the latest of its five-year congresses for September. The event itself will be the occasion for the rubber-stamping of the much more important decisions made during preparatory commissions currently at work. The president himself disclosed several of these last week concerning the election of party representatives next month.

The congress naturally brings to mind the country's most important preoccupation — who will succeed "Le Vieux," or the Old Man, as the president is called. Mr. Houphouët-Boigny himself discourages public reference to the matter and last December squelched speculation, while at the same time giving rise to more, by announcing that he will stand for a fifth presidential term at elections following the party congress. He also rejected any notion of incipient bipartisanship in the political system though he did suggest that the PDCI might relax a bit and become more democratic.

Mr. Houphouët-Boigny's problem is very obvious. He must arrange for a method by which he will be succeeded, and to do so he is mustering all the political skills that have contributed to his political success and longevity — a masterful combination of authoritarianism and consultation.

He recently referred to the need for "team spirit" in Ivory Coast. One of the fundamentals of his political creed is dialogue — or in the African terminology, palaver. Whenever political upheaval loomed, he has immediately brought together all the malcontents in a carefully orchestrated display of public consultation.

When it comes to the presidency, the process is much more secretive but roughly follows the same lines. For the last 20 years he has been surrounded by a group of political associates whose interests represent those of the diverse ethnic, traditional background of Ivorian politics and who at the same time have acquired a sense of communal interest through their considerable and often interlocked financial concerns, which makes them almost inaccessible and the same time extremely powerful. Out of this group will emerge a compromise candidate.

Names are mentioned all the time. Among the young cadres of the Ivorian administration, that of former finance minister Henri Konan Bedie, currently with the World Bank, is on everyone's lips. There is a younger generation of politician-technocrats in their middle to late 30s whose names are put forward as possible successors, but they are only likely to emerge after a few years.

The obvious candidate from a constitutional point of view, although he does not enjoy great popularity, is Philippe Yaco, president of the National Assembly. He is also the Secretary General of the PDCI. It is thought

that he may be made vice president in a constitutional revision at the party congress.

To add to the atmosphere of speculation and uncertainty, there have been two reports of dissatisfaction in the ranks of the army, normally considered to be under complete presidential control since its last period of recalcitrance in 1973. One of the alleged plans indicated a plot to assassinate the president during the Pope's visit to Abidjan on May 10.

A peaceful political transition is of primary importance to the economic future of the Ivory Coast, which it is subject to foreign incentive and investment. There has been a recent tendency to make pessimistic pronouncements about its future. The external debt is estimated at about \$4 billion, and the debt service is expected to rise to about 20 percent this year. There has been overspending and mismanagement in the state enterprises, and the remittances of foreign workers in Ivory Coast sent back to their home countries are estimated at about \$200 million.

Cocoa and Coffee Because of the rapid increase in cocoa and coffee prices over the past five years, the state coffers have swelled beyond all imagination. Ivory Coast is the world's leading exporter of cocoa and ranks third in coffee. This led to a series of foreign commitments that will have to be repaid in the next few years. However, a distinction in any external debt has to be made between a commitment to borrow and what has been disbursed. At any time, the Ivory Coast can reduce some of its investment plans. This was done with the sugar complexes in the northern part of the country. Although their number was reduced from 12 to six, they were considered a major contribution to the economy, especially in the north in Ivory Coast.

Furthermore, the country's adherence to the franc zone, membership in which guarantees the CFA franc by placing it on a parity with the French franc, has number of built-in securities which preclude budgetary overspending by any single member state.

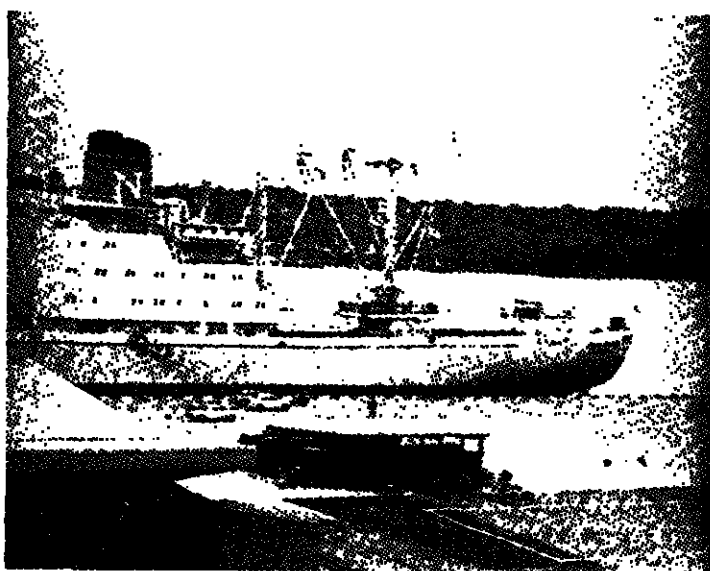
The so-called "cocoa gamble" by which Ivory Coast has withdrawn from the international cocoa market in protest against international prices has focused attention on the role of this commodity in the Ivorian economy.

Diversification has been the order of the day in agriculture. Ivory Coast is the world's leading exporter of pineapples and has an important palm oil industry. By coffee and cocoa account for over 60 percent of export revenue. Together, they account for over 60 percent of export revenue. Inducements to farmers, from low taxation to fixed producer prices have been further strengthened by the existence of a great influx of low-paid workers from neighboring countries, especially Upper Volta. Over 25 percent of Ivory Coast's population is made up of Africans from neighboring states.

The role of agriculture as an economic mainstay is becoming all the more apparent as Ivory Coast has to face the major challenge of industrialization. In the last decade import substitution has been favored by the policy makers and for while was highly successful with double digit annual growth rates. Now, however, planners are realizing that the domestic market is too small for such a policy. (Continued on Page 14S)



PORT OF WARRI

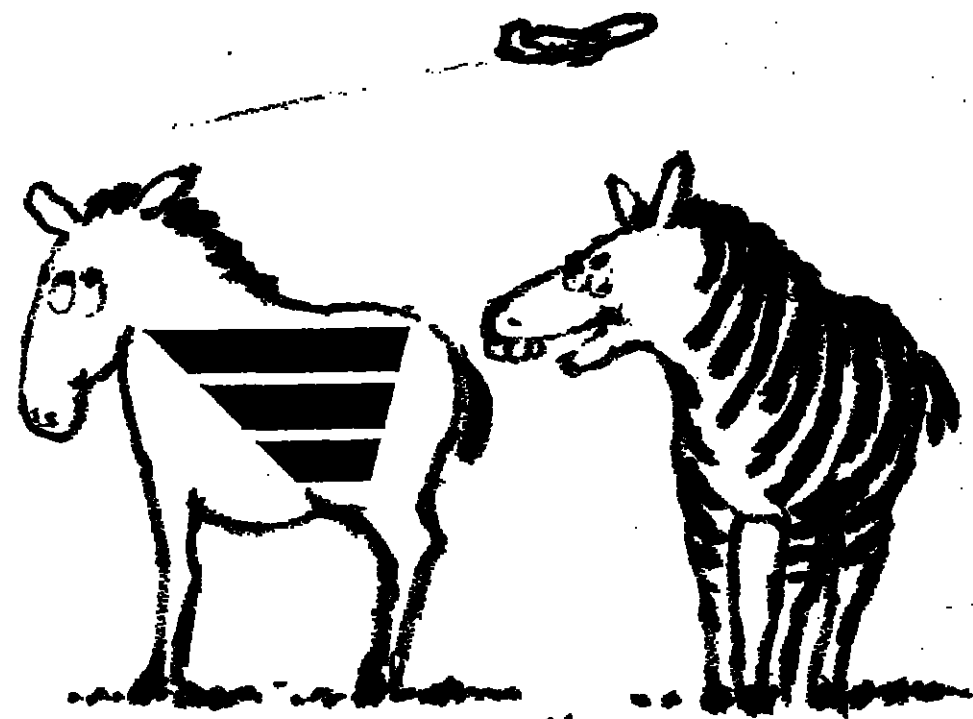


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ECOWAS

Guinea Returns to Fold'

By Alex Rondos

AKRY. Guinea (IHT) — President Sekou Toure of Guinea has finally ended his diplomatic isolation from the West to relations with France, and as of moves known here as "the opening" — the opening — he solidated his "return to the meeting with two neighbors" over the last 20 years. Houphouët of Ivory Coast and Leopold of Senegal.

Guinea's detractors would say course was forced upon economic failure at home. It is that the Guinean people revolution have now made can handle exposure to by corrupting influence of an investor.

is little doubt that the agriculture-based economy has been ruined over the last decades and the livelihood of at of the population put in. This turn of events has its the traumatic break between Guinea in 1958.

day, Mr. Toure's rule is questioned by human organizations, and he does welcome foreign reporters to ask pointed questions. of the former Secretary of the Organization of African States, Diallo Telli, arrested their plot in 1975, is still attractive aspect of Guin-



The power of Guinean market women is said to have convinced President Sekou Toure to loosen state economic control.

Marrietta, Pechiney and Montedison. The country's second largest bauxite mine at Kindia, however, is run by the Soviet Union.

If President Toure has eased away from the Soviet Union — Western fears that Conakry port would be turned into a Soviet base have now been dispelled — he has also developed closer ties with China. He has made several trips to the Ivory Coast, where he was reportedly extremely impressed by the advances in Ivorian agriculture, and also to the United States where he was enthusiastically welcomed from

Harlem to the White House and where he in turn assiduously cultivated potential investors in mining and agri-business.

However, those who watch Guinea closely and have penetrated the atmosphere of secrecy in Conakry are still quick to warn that Westerners should not rejoice at what they may see as a prodigal son returning home. It should not be forgotten that Mr. Toure's greatest accomplishment has been to embody African resistance to all forms of external domination.

Food Prices Climb in Sierra Leone; Deteriorating Economy Causes Concern

By Nii K. Bentsi-Enchill

FREETOWN, Sierra Leone (IHT) — As African heads of state gather here next month for this year's Organization of African Unity summit, Sierra Leoneans might well ask who is going to foot the estimated \$100 million bill.

The country's economy had deteriorated to such an extent by the middle of last year that negotiations with the International Monetary Fund for further aid broke down after President Siaka Stevens' government refused to implement measures that had been agreed upon. The political cost of imposing a recommended 20 percent devaluation of the leone, the national currency, was too heavy. Mr. Stevens was proven right when a 5 percent devaluation, the first installment of the measure, caused consumer prices to shoot up by over 20 percent.

Popular reaction to price increases in basics such as rice is very much on the government's mind, particularly since the outlets for expression of dissatisfaction are limited. And in tight economic circumstances, discontent is growing.

Nationwide student protests in 1977 were repressed by the army, but every year there is something to spark off reaction. This year it was the poor facilities at the Njala University College. A student strike there led to occupation of the campus by internal security police.

Mr. Stevens' government is stable for the moment, but the stability may not last long. Sworn in two years ago at 73 for a seven-year term as the first president of the one-party state, he has been a major political figure for two decades. However, he now presides over a country where the political system is undergoing great strains as it is forced to cope with increasingly difficult economic circumstances.

There are a number of similarities between Sierra Leone and Liberia, its neighbor to the south, but there are also too many differences to permit predicting a fate similar to that which befell Liberia recently.

Like Liberia, Sierra Leone has also had a settler elite — the Creoles of Freetown. The rise of nationalist politics from the 1930s brought the Mende and Temne peoples of "the Protectorate" (as the territory outside the Crown Colony established

in the 19th century continued to be known well into this century) into the political mainstream. The Creoles, predominant in the civil service by virtue of early educational advantage, then tipped the political scales to the north or to the south, between the Temne and the Mende.

In 1952, Milton Margai's Sierra Leone People's Party (SLPP) won the first general election and appeared to be Mende-based. Mr. Stevens, then a trade union leader, broke away to form the All People's Congress in 1957, identified by some as representing northern interests.

The Creoles supported Milton Margai and the SLPP until his death in 1964, but when his brother and successor, Albert Margai, began to bring the so-called "Provincials" into the civil service at the expense of the Creoles, they helped Mr. Stevens' APC to a narrow victory in the 1967 elections. In the next two years political power changed hands between officers and lower ranks when three coups took place. The National Reformation Committee of Brigadier Juxon-Smith was the longest-lived government.

Mr. Stevens was able to return from exile in neighboring Guinea to the north in 1969 during a state of emergency and treason trials to become prime minister. Political ambition among the soldiers persisted, and two assassination attempts on Mr. Stevens' life in 1971 led to the execution of four senior officers. Following the attempts on his life, Mr. Stevens concluded a defense pact with Guinea and a contingent of Guinean soldiers arrived to act as his personal bodyguards.

His government hardened its attitude to opposition, and during the 1973 elections campaigning and voting by the opposition were obstructed. The SLPP did not win a single seat in parliament.

The following year, several soldiers and opposition politicians were arrested and accused of plotting the violent overthrow of the government, and eight were hanged. The drive towards the one-party state began soon after.

For the last few years, the lid has been held on Sierra Leonean politics. Although the SLPP won 15

seats in the 1977 elections, the passage in parliament of the one-party constitution resulted in the opposition MPs crossing over to the government side. Press freedom has been increasingly circumscribed. New legislation this year gave the minister of information powers to refuse annual registration to newspapers.

Diamond mining, the backbone of the economy, has had its ups and downs in the last decade. Official diamond production has been declining. There are constant reports of diamond smuggling, allegedly aided by high-level official collusion and unauthorized mining.

Critics have begun to question the role of Lebanese in the Sierra Leonean economy. As in other West African countries, the Lebanese dominate commerce and are seen by some as supporting a corrupt order that favors officials and them.

Little progress has been made in agriculture from which the majority of the inhabitants gain their livelihood. The rural exodus to the cities continues, contributing to high urban unemployment.

The problems of the economy reflect a vicious cycle. The country has a limited export sector and inadequate external earnings. But foreign aid for industrialization, which attempts to stimulate exports, acts more as a foreign currency drain. A relatively free system of importation has meant increasing indebtedness in short-term supply credits, and this is where falling rice production comes in.

Food import bills are weighing heavily on the economy, particularly for rice. And to complete the picture, inflation — both imported and locally generated by government borrowing from the banking system — is increasing.

The Mano River Union between Liberia and Sierra Leone was not only necessary but imperative for the two neighbors whose rural populations could jointly be major rice growers if given adequate support in credit and other inputs. Guinea has also joined the union, and although some fears were raised about the attitude of the new Liberian government to the union, there is no reason to believe the obvious necessity of economic cooperation will be rejected because of political differences.



Falling production and smuggling are cutting into diamond mining, the backbone of Sierra Leone's economy and source of hard currency.



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Elf	755,000	" " "
Pan Ocean	248,000	" " "

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Elf	1,018,000 " " "
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The National Corporation has 35-40% interest in eleven multinational oil well service companies operating in Nigeria.

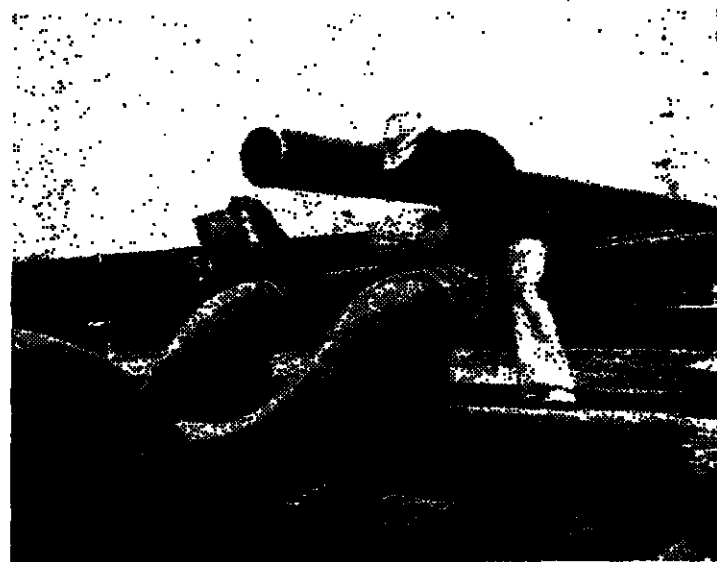
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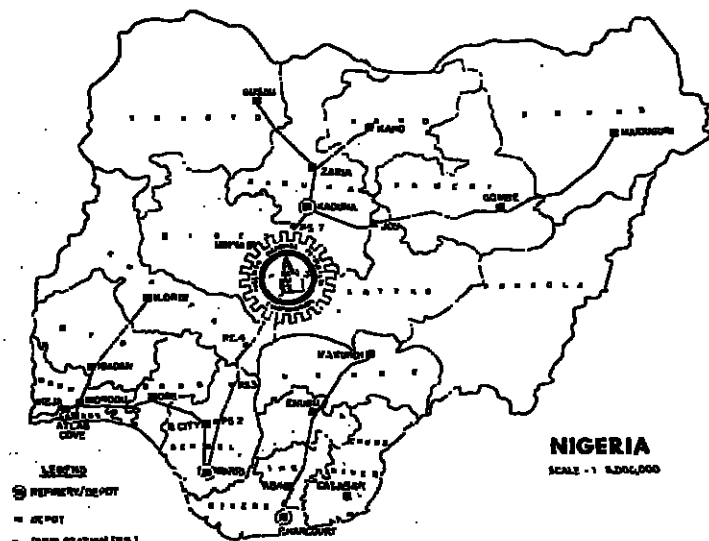
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ECOWAS



Many experts believe peasants could produce enough food for nomads and city dwellers alike in the Sahel.

Food Aid Questioned

Sahel Could Be Self-Sufficient

ABJIDJAN, Ivory Coast (IHT) — Every year food shortages grow worse in the Sahel, the belt of territory that separates the arid Sahara from tropical West Africa. In a year of normal rainfall the Sahel averages a 500,000-ton food shortfall. In a bad year this amount rises to 800,000 tons. Some experts now believe that by 1990 the Sahelian countries will be short about 1 million tons of food to feed their combined population of more than 30 million.

But there is also a growing chorus of critics that claims the area could be self-sufficient in food production and that the food aid routinely sent to alleviate starvation conditions doesn't really help. France, source of most of the aid to the Sahel, has officially and in public begun to question some of its own priorities in its aid policy to the world's poorest, drought-stricken nations.

Critics who do not see food aid as the solution to the Sahel's problems have observed that if international food aid has saved lives and has been a major support during the last droughts, institutionalization is still inconceivable. The eight Sahelian states themselves — Cape Verde Islands, Chad, Gambia, Mali, Mauritania, Niger, Senegal and Upper Volta — have begun to appreciate that constant recourse to emergency aid is not the best way of rectifying the food problem.

Permanent Reliance

First of all, they reason, the foodstuffs supplied by international aid rarely reach those who are most needy. Also, this permanent reliance on cereal imports can seriously damage the recovery of national production.

These observations were the gist of an official document of the French Ministry of Cooperation. The same report also suggested that joint action of member states is the only way to deal with the Sahel food problem. Right now it seems that there are a multiplicity of projects in each country sponsored by many different foreign aid agencies.

The Comité de Lutte contre la Sécheresse dans le Sahel (CILSS) was established in 1973 as an attempt to reach concerted action. The Club du Sahel, its complimentary organization to fight drought and food shortages, is based in Paris. The creation of CILSS reflects the acknowledgement among the Sahelian states that there is no possible solution unless they

work together. Their geographical location condemns them to cooperation. CILSS has come up with a "Strategy Program for Drought Control in the Sahel" which serves as a blueprint for the development of the region until the year 2000. In spite of the somewhat precise title, the program aims are all-embracing.

There is a first generation program, listing 612 projects in the eight member states which could be financed between 1977 and 1982. By early last year it was clear that 74 percent of the projects had received some sort of interest from donors, representing commitments of \$2.44 billion of the estimated \$3.06 billion needed for the financing of the entire first generation program.

Development Potential

The Club du Sahel is essential to the implementation of this program. A coalition of the eight West African states and some 20 donor countries, an international agency, its principal purpose is to coordinate the search for financing and the implementation of the program. The club's central role in organizing the Sahelian development efforts becomes all the more important as the costs of the program are pushed up by world inflation. It already thought that the original estimate of just over \$3 billion for the first generation program is now too optimistic. It has gone up closer to \$5 billion.

The combination of short-and-long-term programs of CILSS reflect the goal of developing a regional infrastructure. CILSS officials are eager to point out that many of their projects cover more than one country in the region, but this may well prove to be a serious stumbling block as well. Individual governments in the area have become almost anesthetized by the seemingly endless flow of food aid, and proposals of long-term investment and efforts to fight drought don't have much instant political appeal.

CILSS will have to fight against interests often reflected by the national bureaucracies of the region. One official from the United Nations Development Programme observed recently that an internal battle for influence within governments could arise soon as the activities of CILSS and CEAO, the Francophone West African Economic Community, collide. Economists from member countries participate in the CEAO, while agriculture ministers sit on the CILSS. The enthusiasm for CILSS will also be against the obstinacy or inability of some Sahelian governments to put their own domestic marketing structures in order.

The number of observers who now take Sahelian plans for emergency food aid with a pinch of salt is growing disturbingly large. The former chairman of the CILSS heads of state conference, President Sir Dawda Jawara of The Gambia, said during his tenure that it should be remembered that the Sahel had the potential to develop and feed itself.

Within the group of aid donors there are experts who believe that the Sahel is, with one or two local exceptions, already producing enough food. It is just that the peasants do not put their crop on the market, leaving urban centers with serious shortages. Indebtedness and lack of incentive because of low prices to producers has led, in many instances, to the withdrawal of the Sahelian peasant to subsistence farming.

The decision must be made to raise prices peasants receive for food they put on the market, and the CILSS knows this. But politically intolerable urban inflation could be the result.



The desert closes in on parts of the Sahel.

Who Follows 'Le Vieux'?

(Continued from Page 125)

Industry is not integrated and remains too dominated by large foreign concerns, as the World Bank has pointed out to the Ivorian authorities. For an economy that professes to practice a "controlled liberalism" the absence of an indigenous entrepreneurial class is striking. As a result there is a new tendency favoring more domestic processing of local products — for export. It is felt that this will reduce the flow of the population to the already overcrowded cities, decentralize the economy somewhat and provide jobs in the necessary areas to create conditions for a more equitable regional distribution of income.

The social implications of the path Ivory Coast has followed are immense. Over 30 percent of the budget is devoted to education, and with almost one million children in primary education, the great majority is being educated through cost-free television broadcasts in rural areas.

After five years of such schooling, the official recently remarked, these children are "lost to agriculture" and wander into the cities looking for quick riches and a pair of eyeglasses. Another Ivorian remarked, somewhat ominously, that local industry had to be developed to employ these new urban migrants in order to "contain the revolt." More than 50 percent of the population Ivory Coast is under 20 years of age.

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Ivorian lumberjacks work on a mahogany tree.

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ECOWAS

Togo: In Search of Separate Identity

by Nii K. Bentsi-Enchill
LOME, Togo (IHT) — Under President Gen. Gnassingbé Eyadema, this nation of less than 3 million people is trying to carve a separate identity from the French-speaking states of Africa. A major part of the was Gen. Eyadema's role in the formation of ECOWAS in 1975 with then Nigerian head of Gen. Yakubu Gowon.

is regional outlook can be understood in the light of the "misunderstandings" between Togo and its immediate neighbors, Benin to the east and

aided to move in for good in January of the following year "to stop the country from sliding into complete anarchy."
A dominant figure in the background since 1963, Gen. Eyadema, by now a lieutenant-colonel and army chief of staff, abolished the constitution and while forming a committee for national reconciliation on one hand, he set up a regime dominated by members of his own Kabre ethnic group in the form of a one-party state. The Rassemblement du Peuple Togolais was inaugurated in 1969, and Gen. Eyadema was elected president in a 1972 referendum in which he collected 99

percent of the votes. By the end of the decade, this party-state was well-developed. Gen. Eyadema had picked up such appellations as "national hero," "beloved guide," "father of the new Togo," and officials all wear a badge bearing his portrait. Gen. Eyadema also introduced the nightly news on television with angel wings sprouting from his shoulders.

ing taken power from the Ewe elite in the 60s, Gen. Eyadema himself took up the me of Ewe reunification — "you cannot ide a people like you cut bread."

a to the west, and the historical was a German colony at the of the 19th century, but the and French attacked the territory in 1914 at the start of War I, carving it up between elves later. They subsequently istered the territory under a of Nations mandate.

1946, the United Nations con- the division by changing the of the two parts into trust es, one administered as part of old Coast by Britain, and the es French Togoland. The rise onalist politics during World I led to the final partition of iginal territory, and through omittance of former president us Olympio, to the entrench- of domestic and border prob- at still exist.

mpio was the leading politi- the day and had the most e platform — the unification Ewe-speaking people divided in British and French Togo- He pleaded this cause before ited Nations General Assen- 1947, and his party, the Com- for Togolese Unity, won the ns that year with Olympio as nt of the territorial assem-

French Orbit
this was, however, in the orbit, and Olympio's devo- the Ewe cause, alienated om the French authorities, saw more promise in Olymp- other-in-law, Nicolas Grun- and in the 1955 elections to rench National Assembly the CUT, boycotted, Grun- came prime minister and his le l'Unité Togolaise (PUT) the seats while France kept of foreign affairs, defense economic affairs.

resulting political impasse have been resolved by a UN dum in 1956 except for the at roughly half of the Ewe were subsequently part of n-to-be independent Ghana, he other half were included autonomous Republic of Togo French community. Due to ader political base, Olympio of Grunitzky in the 1958 gen- elections, and went on to be- president of an independent in 1960. His nationalism, in his coastal Ewe people, ed in a different light after adence, and some people he less-favored north of the y began to feel cheated of the of Olympio's ostensibly radi- cides.

13 January 1963, the first 'stat of independent Africa ace, as well as the first pre- assassination. Whether he lly shot Olympio or not, Eyadema certainly played ment role in the first con- sioned official coup. Grun- ew in from his Parisian exile invitation of the army and as president with Antoine a, a northerner, as vice-pres- he soldiers moved in again at of 1966 to impose a solution owing political crisis without ng Grunitzky, but they de-

percent of the votes. By the end of the decade, this party-state was well-developed. Gen. Eyadema had picked up such appellations as "national hero," "beloved guide," "father of the new Togo," and officials all wear a badge bearing his portrait. Gen. Eyadema also introduced the nightly news on television with angel wings sprouting from his shoulders.

Tensions have persisted, however, and several attempts have been made on the president's life. These were first blamed on the machinations of international business, and his most famous escape — from a plane crash at Sarakawa in 1974, commemorated with a monument — led to the nationalization of the phosphate mines. Subsequently, the sons of the assassinated Olympio became the focal point of allegations of subversion, and the fact that they have some Brazilian ancestry has contributed to creating the image of an "authentic" Togolese unity. The publicity following the discovery of a plot to overthrow the government through a mercenary invasion from Ghana concentrated on "those Brazilians" who were said to be again attempting to destroy the patient work of national reconstruction undertaken by Gen. Eyadema. Those accused in the 1979 trial were members of the interrelated Olympio, de Souza and Lawson families.

[In a recent interview with the New York Times at the United Nations, Gilchrist Olympio, son of the former president, charged that Togo under Gen. Eyadema had been transformed into a bankrupt fantas-

Field Captive
"We are being held captive by another Iddi Amin," Mr. Olympio alleged. "A little less flamboyant, a little less well known, those are the only differences. He rules by fiat. He has bankrupted the country. He has got himself immensely rich and indulges in the most basic violation of human rights."

Mr. Olympio, who is under two death sentences in Togo imposed while he has been in exile, now lives in Abidjan, Ivory Coast, and is in an engineering business developing plantations in West Africa. He was in the United States to gain sympathy for his cause and is spokesman for the Movement for Togolese Democracy.]

The delivery of two of the accused to the Togolese government by the government of the late Gen. F.W.K. Akuffo in Ghana in turn demonstrated the changing nature of relations between these neighbors. Having taken power from the Ewe elite in the 1960s, Gen. Eyadema himself took up the theme of Ewe reunification. "You cannot divide a people like you cut bread," he said once — and claimed that Togo's natural border with Ghana was on the Volta River, thereby including all the Ewe people. There was friction between Gen. Eyadema and the military government of Gen. Acheampong in Ghana when the former was allegedly sponsoring a Togoland Liberation Movement in Ghana's Volta Region. Fences

30 percent of export revenue and the pressure began to tell with inflation of consumer prices — the man in the street noticed when the price of a pack of cigarettes doubled almost overnight.

Togo's international creditors agreed to reschedule repayment of over \$35 million due by the end of this year and to stretch repayment of arrears on interest and principle of about \$100 million over three years. The International Monetary Fund also came in to provide support for this open-door economy on condition of visibly reduced government spending.

Austerity Budget
Budgets are now produced under the watchword of austerity. This year's deficit has been pegged at about \$7.5 million (compared to \$32 million last year) of which a third will be financed by the IMF, and the rest by the Togolese Central Bank. A new emphasis on agricultural development towards self-sufficiency, strict financial controls on government expenditure and increased taxation coupled with more efficient collection is expected to put a brake on the progress of inflation. However, revenue from the phosphate mines remains important and no amount of increased production can compensate for the fluctuations of market prices. If the oil refinery has justified itself by the profitability of selling its product on the European spot market, the

development of the tourist industry is more of a gamble. The \$25 million Sarakawa Hotel has done better than predicted, but prospects for the unfinished \$100 million February 2 Hotel are made more uncertain by the economic situation in the tourists' home countries.

[According to Mr. Olympio, Gen. Eyadema lived austere until the sharp rise in phosphate prices awakened his appetite. Then, he said, Togo and its people soon found themselves the possessors of a \$100 million steel mill that produces no steel, four hotels, one 44 stories high, that draw no tourists, a \$100 million refinery that refines no oil and an airport in the bush near Fya, Gen. Eyadema's home village, that can receive 707's and DC-10's.]
As in other developing countries, austerity budgets and stricter controls on public expenditure are palliatives rather than cures. The price of maintaining a liberal trade policy on a narrow economic base can be seen in the pessimistic forecast that Togo may need a further combination of debt rescheduling and balance of payments support from international financial institutions. Under President Eyadema, Togo has seen real progress in laying down the infrastructure of a modern industrial economy, but the fact remains that while 80 percent of the population depends on agriculture, it is the modern sector that has received the most investment.



Proceeds from the sale of cocoa smuggled from Ghana to Lome end up in Togo's export figures.

NIGERIA AIRWAYS PRESENTS The West African Connection

A 7 DAY COMPLETE COVERAGE OF THE WEST COAST

FROM LAGOS					FROM ACCRA					FROM FREETOWN				
FLIGHT NO.	DAYS	DEP	ARR		FLIGHT NO.	DAYS	DEP	ARR		FLIGHT NO.	DAYS	DEP	ARR	
TO ABIDJAN					TO ABIDJAN					TO BANJUL				
WT900	Mo	Th	0700	0715	WT904	Tu	1120	1205		WT904	Tu	1640	1720	
WT904	Tu		1100	1205	WT914	Fr	1120	1205		WT905	We		1210	1445
WT908	Tu	Fr	1800	1815						WT915	Sa		1210	1445
WT914	Fr		1100	1205	TO BANJUL					TO DAKAR				
TO ACCRA					WT904	Tu	1120	1720		WT904	Tu	1640	1820	
WT902	Mo	Th	1100	1050	WT914	Fr	1120	1645		TO FREETOWN				
WT904	Tu		1100	1050						WT905	We		1210	1600
WT914	Fr		1100	1050	TO CONAKRY					WT915	Sa		1210	1600
WT906	Su		1100	1050	WT904	Tu	1120	1610		WT907	Su	1530	1840	
TO BANJUL					TO DAKAR					TO LAGOS				
WT904	Tu		1100	1720	WT904	Tu	1120	1820		WT905	We	1110	1820	
WT914	Fr		1100	1845	WT914	Fr	1120	1745		TO MONROVIA				
TO CONAKRY					TO FREETOWN					WT905	We	1110	1300	
WT904	Tu			1610	WT904	Tu	1120	1510		FROM DAKAR				
WT914	Fr				WT914	Fr	1120	1510		TO ABIDJAN				
TO DAKAR					WT906	Su	1120	1430		WT905	We	0900	1445	
WT904	Tu		1100	1820	TO LAGOS					WT915	Sa	0935	1445	
WT914	Fr		1100	1745	WT903	Mo	Th	1100	1340	TO ACCRA				
TO FREETOWN					WT905	We		1630	1820	WT905	We		0900	1800
WT904	Tu		1100	1510	WT915	Sa		1630	1820	WT915	Sa		0900	1800
WT914	Fr		1100	1510	WT907	Su	1910	2100		WT907	Su	1530	2100	
WT906	Su		1100	1430	TO MONROVIA					TO BANJUL				
TO MONROVIA					WT904	Tu	1120	1350		WT905	We		0900	0930
WT904	Tu		1100	1350	WT914	Fr	1120	1350		WT915	Sa		0935	1005
WT914	Fr		1100	1350	WT906	Su	1120	1310		TO CONAKRY				
WT906	Su		1100	1310	FROM BANJUL					WT905	We		0900	1040
TO DOUALA (VIA CALABAR)					TO ABIDJAN					TO FREETOWN				
WT904	Tu		1100	1510	WT905	We	1000	1445		WT905	We	0900	1140	
WT914	Fr		1100	1510	WT915	Sa	1035	1445		WT915	Sa	0935	1140	
WT906	Su		1100	1430	TO ACCRA					TO LAGOS				
FROM ABIDJAN					WT905	We	1000	1600		WT905	We	0900	1820	
TO ACCRA					WT915	Sa	1035	1600		WT915	Sa	0935	1820	
WT905	We		1515	1600	TO CONAKRY					TO MONROVIA				
WT915	Sa		1515	1600	WT905	We	1000	1040		WT905	We	0900	1300	
TO BANJUL					TO DAKAR					WT915	Sa	0935	1300	
WT904	Tu		1235	1720	WT904	Tu	1750	1820		Note:				
WT914	Fr		1235	1645	WT914	Fr	1715	1745		* Due to runway maintenance in Dakar, departure time from Dakar on WEDNESDAY ONLY (WT 905) has been advanced to 0630 (L/T)				
TO CONAKRY					TO FREETOWN					FROM DOUALA				
WT904	Tu		1235	1610	WT905	We	1000	1140		TO CALABAR				
WT914	Fr		1235	1745	WT915	Sa	1035	1140		WT951	Tu	Fr	1410	1440
TO FREETOWN					TO LAGOS					WT953	We		1130	1200
WT904	Tu		1235	1510	WT905	We	1000	1820		TO LAGOS				
WT914	Fr		1235	1510	WT915	Sa	1035	1820		WT951	Tu	Fr	1410	1610
TO LAGOS					TO MONROVIA					WT953	We		1130	1330
WT901	Mo	Th	0745	1000	WT905	We	1000	1300		FROM CONAKRY				
WT905	We		1515	1820	WT915	Sa	1035	1300		TO ABIDJAN				
WT915	Sa		1515	1820	WT905	We	1110	1445		TO ACCRA				
WT909	Tu	Fr	1845	2100	WT915	Sa	1110	1600		WT905	We			
TO MONROVIA					TO DOUALA					TO LAGOS				
WT904	Tu		1235	1350	WT905	We	1000	1300		WT905	We		1330	1820
WT914	Fr		1235	1350	WT915	Sa	1035	1300		WT915	Sa		1330	1820

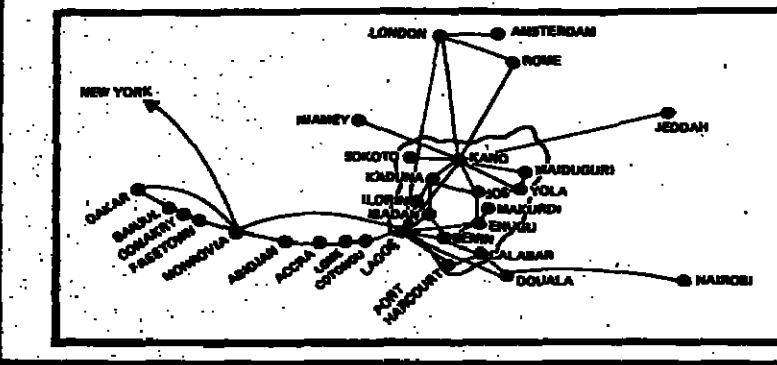
French Influence Colors Regional Economic Unity

continued from Page 75)
ties of the other members. try Coast finds itself all too otting the bill for the poorer s in the region.
creation of Senegalese Presi- stopold Senghor's cherished phone commonwealth" is nal upon existing institu- tions among Francophone ead observers of Franco- Africa, especially in West Af- ve noted before that the e to ECOWAS and Africa, the continent's most unified of states has reached that dnt of close economic ties former colonial power.
pressed, ECOWAS' of- eak of the existence of the with persistent ambiguity, tunity already operates as ive customs union and has ated to growing transfers of al and agricultural produc- in its confines. Territorial ty has also been a major ad-

vantage. One can travel from Morocco to southern Zaire without ever having to speak a language other than French.

As independence movements gathered momentum in the late 1950s, the French — and some Africans — hoped that the political disengagement could be achieved within the framework of the existing colonial administrative units — French West Africa and French Equatorial Africa. The richer countries, especially Ivory Coast, eventually opted for total independence.

There are many who believe that the conditions still exist for unity among the Francophone states and these have been constant attempts to achieve it. There is an equally powerful group of observers and West African diplomats who feel that the "balkanization" of French West Africa served French purposes of continued influence which officials pursued through a series of bilateral agreements based on the old principle of divide and rule.



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ECOWAS

River Projects Roll On

By Alex Rondos

CONAKRY, Guinea (IHT) — For well over a century, travelers, engineers, colonizers — and now politicians — have dreamed about the potential of West Africa's water resources. "Let us throw ourselves into the water of the Niger River," Guinea's President Sekou Toure recently told a gathering of the Niger River Commission, "and we will land on the shores of prosperity."

Whether the purpose is to harness hydroelectric power or accumulate and control water for irrigation, there is scarcely a West African country that has not built or at least proposed constructing a dam.

One of the favorites is the Senegal River Basin project, a joint venture of the governments

of Senegal, Mali and Mauritania under the Senegal River Development Authority (OMVS) through which they hope to obtain financing from Western and Arab sources for the construction of two dams for hydroelectric power and water storage for irrigation.

The OMVS has the problems and headaches facing all such development projects. Financing costs increase each month. The initial estimate for the Manantali dam in Mali was \$300 million, and for the Diama Dam, some 125 miles upriver from the Atlantic, it was originally \$200 million. Costs are now put at \$800 million for both dams. The presidents of the three member countries have had to return to the Gulf states to ask for more money from Arab donors, and construction on the Diama dam, under French supervision, has been delayed although ground was broken in December with great fanfare.

The search for financing can

be a vicious circle. Some Arab donors balked at making commitments while it was unclear whether the rest of the financing had been accounted for. This created a certain wariness among other creditors. Another donor insisted on seeing evidence of plans illustrating how the whole project would actually function.

Most of the substantive research on the effects of damming the Senegal River has only been done in the past year. An extensive report by the Gannett Fleming consultant firm is now in the hands of the decision-makers who have to figure out how farmers are going to learn and adapt to new techniques made necessary by a switch from flood recession agriculture to cultivation based on a year-round supply of water. The ecological conse-

quences of the interruption of the river's natural flow are hardly known, although a change in the spawning of fish has already been noticed.

In the Ivory Coast, however, experts are beginning to acquire information on the effects of dam construction and the social consequences of population displacement due to the flooding of large areas. The creation of Kossou Lake, fed by the Bandama River, has affected some 100,000 farmers and resulted in the loss of 57,000 acres of cocoa and coffee plantations. The Bandama Valley Authority (AVB) has relocated some 75,000 people, most of whom adapted rapidly to the new environment and found their new agricultural activities more profitable than before. But the traditional structure of life has suffered. Ethnic groups that lived and worked closely before the lake was created are now split.

In Upper Volta, getting people

into the areas affected by the river projects has been the problem. As the Volta valleys are cleared of onchocerciasis, river blindness disease, huge areas are becoming available for cultivation. But a foreign expert working with the Volta Valley Authority (AVV) said there were, as in the case of other grandiose river projects, "many plans but not enough money."

Once river blindness is eradicated — the campaign has met with a slight hitch because the vector travels much further than the initial estimate of 25 miles — the AVV will have nearly 5 million acres under its authority, about one-sixth available for agricultural exploitation.

Plans are that one million people will have been relocated in the valleys by the end of the century. The government of Upper Volta would prefer that migration were controlled, rather than spontaneous as has been the pattern, but some foreign assistance agencies find this approach smacks of forced migration.

The government in Ouagadougou would like to ease the pressure on the densely populated Mossi Plateau that surrounds the capital by sending some of the Mossi down to the Volta Valleys. Some observers have seen this plan as an attempt by a Mossi-dominated government to establish a Mossi enclave in the south and west of the country where the country's most numerous tribe is scarcely represented.

One of the oldest river basin development projects — the Office du Niger — was created by the French colonial administration in 1932 to harness the Niger River that carves its way through Mali. Although the project has not turned the Niger basin into Mali's breadbasket, in a good year, it tips the balance away from food shortages.

The record of exploitation of water resources, whether in Ivory Coast, Upper Volta, Mali or Senegal, so far shows that planners — when financing is available — tend to race ahead without adequate consideration of the far-reaching social and ecological consequences of such projects.



Irrigation projects in Niger help increase groundnut and cotton production.

Niger's Uranium Key to Survival

NIAMEY, Niger (IHT) — Now the world's fourth largest producer of uranium, Niger has the means to move out of the poorest countries group, but the challenge facing Niger's rulers is how to cope with this sudden increase in revenue.

Economists expect uranium production to create an average 10 percent annual rise in the gross national product over the next decade. This is an indication of hope for a drought-stricken country where until six years ago what little foreign investment and aid came into the impoverished economy was drained off through corruption. A military coup toppled the government of Hamani Diori in 1975. Since then the government has created two 5-year plans, the second of which was announced in February. It called for 730 billion CFA francs in investment (about \$3 billion) and announced a planned growth rate of 9.5 percent a year for the period.

The Niger military leadership says it has learned from the experiences of other countries, especially its southern neighbor, Nigeria. Investment will be concentrated on creating a technical and management class rather than simply on extracting the country's mineral wealth.

Self-Sufficiency
Niger, one of the drought-plagued countries of the Sahel, has set its sights on the achievement of self-sufficiency in food production. Targets have been set to keep pace with the growth in population. Niger imports 30,000 tons of rice at a time when its population is growing at an annual average of 2.7 percent. The government hopes to eliminate the rice deficit by increasing domestic production from the current 23,000 tons to almost 60,000 tons. Niger has taken a novel approach to the problem by avoiding the large projects that take a long time to have any effect. Rather, the policy is to encourage small irrigated units along the Niger River.

Ambitious targets have also been set for cash crop production. Production of groundnuts and cotton, which has yet to recover from the drought of the early 1970s, will be expanded to about 120,000 tons for the former and 15,000 tons for groundnuts and peanuts.

Uranium's vital contribution will be to reduce Niger's dependence on neighboring states. One of the ma-

joir projects planned is a rail line south to Benin, the main outlet for Niger's trade. Financing is currently being sought by both countries. Other projects aimed at overcoming Niger's current isolation include road to the north and other southern and western links with Upper Volta and Togo.

Niger's isolation has not only brought economic hardship upon the country, it has also aggravated potential internal splits. Like most other Sahelian states, Niger is an artificial geographical creation of French colonial administration. To the north are the nomadic Tuaregs easily attracted by the economic benefits offered by the North African states, especially Libya. In the south, the large Hausa population finds itself magnetically attracted to the possibilities of the market in northern Nigeria. Hausa traders, although the government in Niamey is loath to admit it, tend to sell their crops and livestock in Kano, Nigeria, rather than in Niger's capital.

Diplomatic Abilities
Such a situation has left Niger in a position that has often demanded exceptional diplomatic abilities from its leaders. One example was the problem of recognition of the Biafran regime during the Nigerian civil war. Then president Hamani Diori refused to join the French in recognizing the Kert Harcourt government. At that time the northern Nigerians had clearly sided with the federal government of Nigeria. The tie proved far more important than the one with France. However, when Diori was overthrown, France did not lift a finger to support him.

To the north a similar influence is apparent. In all the discussions among the states of West Africa about the creation of a mutual defense pact, Niger has continually stalled. The military alliance of Niger with a group of purely black African states would immediately raise diplomatic problems with Libya in particular. Libya's ambitions in sub-Saharan Africa are clearly felt, but they are difficult to discern. While the Niger government has scarcely publicized its new found wealth, many observers agree that there has been a remarkable degree of discreet management of the enormous flow of revenue from uranium, thus setting the country apart from many others in Africa who have wasted their mineral wealth.

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IBRU

U.S. Jury Awards AT&T Challenger \$1.8 Billion in Damages

By Merrill Brown

WASHINGTON, June 15 (WP) — The federal judge in the landmark case against American Telephone & Telegraph Co. today awarded \$1.8 billion in damages to MCI Telecommunications Corp. in a suit filed last year.

Although AT&T officials insist that the verdict will be overturned on appeal, the decision clearly gives momentum to the Justice Department's suit to break up AT&T. The decision could lead to legislative efforts to revamp communications regulation and may provide encouragement to companies seeking to challenge giant firms in other industries.

"This decision says to people that you can fight against corporate power," said William McGowan, MCI's chief executive. "They can't grind you to death with their deep pockets [outspending]. You can fight the wealthy."

On the other hand, an AT&T official said the decision indicated that the company's legal and economic cases and may have an inherent bias against large companies.

"The decision shows a basic preference for David over Goliath," said Harold Levy, general solicitor of AT&T. "It confirms the views of commentators that juries are not ca-

pable of digesting, handling and assimilating information and coming up with a really fair conclusion from complex economic data."

Mr. Levy said the Bell System will present motions to overturn the verdict and the damage assessment within 30 days. He said that "some of the jury instructions were prejudicially erroneous," and that rulings on the admissibility of evidence for both sides were incorrect.

"I don't regard this as a final judgment in any sense," Mr. Levy said. "We're not paying this obscene amount, and I'm sure we will never pay this amount or anything resembling it." — AT&T Lawyer.

The suit, brought by MCI in 1974, charged that AT&T, through a variety of policy actions and decisions at the highest levels of the company, used its virtual monopoly power to prevent the growth of MCI. MCI, a firm based in Washington, provides long distance telephone service to business and residential customers, serving a network of 65 cities.

The suit was filed in Chicago because MCI had sought first to challenge AT&T's monopoly in long

distance telephone service in the Chicago-St. Louis market. MCI had received authority from the Federal Communications Commission in 1969 to provide such service.

The company charged in its lawsuit, with the jury ultimately agree-

ing, that MCI was unfairly denied access to specialized long-distance calling services and other hookups that firms such as MCI need to use to link with local telephones.

The jury, in finding AT&T guilty of 10 of 15 allegations presented, concluded that AT&T negotiated with MCI about the services in bad faith, disconnected already hooked-up lines, filed unfair state tariffs (rates) and price-cuts in violation of U.S. antitrust law.

MCI had asked for a \$900 million damage award, claiming that the AT&T actions had stunted the growth of the firm's fledgling service.

The jury voted to award MCI \$600 million in damages, believed by antitrust experts to be the largest in history. Such an assessment in antitrust cases of this kind are rare. The jury did not disclose why it chose the amount, although Mr. Levy suggested that it was a

simple calculation based on two-thirds of the claims under consideration.

Nevertheless, the implications of the decision, which came after less than two full days of jury deliberations, stretch far beyond U.S. Dis-

body involved in the industry," the source said. "People are going to have to be awfully circumspect in using monopoly power this way."

The Justice Department suit charges that AT&T attempted to monopolize and did monopolize the phone business. That case, filed in 1974, is scheduled to be heard this fall.

If MCI, with revenues of \$144 million in 1979, only a fraction of AT&T's, continues to win its civil antitrust case on appeal, other small phone companies would be encouraged to chip away at AT&T's phone business, and Congress might feel the need to erect safeguards that would prevent the Bell System from using its monopoly power to prevent competition.

Such safeguards might appear in legislation now before Congress that would permit the Bell System to expand into communications services beyond the phone business, including data processing. Coincidentally, the jury decision came during a moment in congressional consideration of legislation that would revamp the federal regulatory apparatus overseeing the telecommunications industry.

Loosening Restrictions

After a three-year battle, the House communications subcommittee is scheduled to mark up legislation that would loosen the restrictions on AT&T, effectively lift a 1956 consent decree with the government and permit the Bell System

to enter fields in which it had been barred from competing.

The decision, some observers believe, may delay that process. "It's hard to argue that stringent safeguards against AT&T abusing its power aren't necessary with the backdrop of this decision," said one expert.

With AT&T facing about 40 other civil suits, some of them seeking substantial amounts in damages, most observers believe the MCI decision can only strengthen those cases. MCI has a second similar suit against AT&T pending before a federal court here.

"Juries comprehend these violations," said John Bodner, an attorney representing Lorton Industries, which has filed a suit against AT&T seeking about \$350 million in damages. "This is a major decision with great ramifications, but when one realizes you're dealing with probably the most profitable company in the world, that dollar figure isn't all that large."

George Saunders, an AT&T attorney, said it was the largest damage verdict ever — "this one will make the Guinness Book of Records," he was quoted by The Associated Press as saying.

U.S. Aide Says Recycling Can Be Handled by Banks

WASHINGTON (AP-DJ) — The task of recycling billions of dollars in surplus funds from major oil-exporting countries to other nations through the world's private banking system and official agencies is "clearly manageable for the foreseeable future," according to U.S. Assistant Treasury Secretary Fred Bergsten.

But, said Mr. Bergsten, "this won't occur automatically" in a way that would assure that countries facing international payments deficits will be able to borrow adequate amounts for appropriate periods to cover the cost of higher world oil prices.

The U.S. Treasury made public Mr. Bergsten's views on petrodollar recycling tonight, in advance of his remarks on that subject tomorrow at a meeting of a U.S. business group in New Orleans.

The U.S. official said the Treasury is still estimating that the major oil-exporting countries — mainly Saudi Arabia, Iraq, Kuwait and the United Arab Emirates — will have international payments surpluses totaling about \$120 billion in 1980, with the oil price increases announced at a recent meeting of the oil-exporting countries in Algeria offsetting some declines in total exports by such countries as Iran.

Mr. Bergsten told reporters that the United States does not expect that Saudi Arabia will cut back oil production from the current 9.5 million barrels per day or "go to the \$32-a-barrel price discussed at the meeting of the Organization of Pe-

troleum Exporting Countries a few days ago in Algeria."

On the broader question of petrodollar recycling, the U.S. official said that the private banking system and official agencies is "clearly manageable for the foreseeable future," according to U.S. Assistant Treasury Secretary Fred Bergsten.

Mr. Bergsten added that "despite the obituary notices widely posted several months ago, the bond markets are alive and may well play an increasingly significant role in the recycling process."

A decade ago, said Mr. Bergsten, the world's developing countries were largely excluded from borrowing in international capital markets through bond issues. But, he said, such countries by 1979 managed to raise about \$3 billion through placement of foreign and international bond issues.

The U.S. official said that quite a few of the developing countries, through earlier borrowings abroad, also have managed to build up their monetary reserves. He said about \$45 billion in such borrowings since 1975 have gone into the reserves of the developing nations, instead of being used to cover current-account deficits.

International Monetary Fund and the World Bank, said Mr. Bergsten, also are in a position to assist in the petrodollar recycling operations, at the same time that they advise member countries on the necessary economic adjustments to ease international payments deficits.

EEC Meeting Also Focused on Trade, Economic Issues

By Axel Krause

VENICE, June 15 (AP) — A low-profile meeting of top Western European government industry planners, Handy brochures of a leading European company, several well-chosen but deliberately vague statements in the final declaration.

These were several of the high-level meeting of nine Common

Market countries here last Thursday and Friday.

The leaders, motivated mainly by political and strategic considerations, focused most of their attention on the Middle East. Yet economic issues were decidedly not, as some have suggested, swept aside or decisions affecting them deliberately avoided, according to officials and observers attending the sum-

mit. Indeed, economic issues, notably energy and trade, these sources say, will provide the crucial link to the high-level meeting of the United States, Japan, West Germany, France, Britain, Canada and Italy, to be held here on June 22-23.

Last Wednesday, industry ministers or their deputies from the nine member countries of the European Economic Community and an EEC commissioner discussed industry

strategies in an elegant conference room within the Cini Foundation complex on the island of San Giorgio, where the summit opened officially a day later.

"Our goal in this first meeting of its kind was to avoid pronouncements... to develop a more coordinated and common vision regarding the future of European industry," said a senior EEC official.

Specifically, the group discussed emerging roles for the EEC and governments in the evolution of key industrial sectors, such as telecommunications, electronics and aerospace — sectors EEC leaders would like to see strengthened to compete more effectively against U.S. and Japanese industries.

Differences between those attending immediately surfaced, with West Germany generally opposing and Italy favoring greater government involvement in industrial strategy. It became clear, however, that a consensus was developing, the EEC official said, adding, "We will continue seeking ways of developing our strategies along the lines suggested by Mr. Davignon."

Etienné Davignon, a Belgian and the EEC commissioner for industry attending the meeting, has repeatedly advocated a Common Market-backed effort aimed at buttressing West European electronics industries. He is also a leading candidate to succeed Roy Jenkins as president of the EEC Commission at the end of this year.

"Industry and related issues will certainly get special, knowledgeable attention if Davignon makes it," said a European diplomat at the conference.

Such stirrings attracted the atten-



Etienné Davignon

tion of others also focusing on the economic side of the summit — among them two public relations officials of IRI, the large Italian government-owned group that controls more than 500 Italian companies and banks with 560,000 people on its payroll. IRI is Italy's largest industrial employer.

Wearing press accreditation badges and mingling with journalists and delegates, the IRI officials were attending as observers. This is a status generally accorded to diplomats from the half-dozen non-member countries that maintain close links with the EEC, including the United States and Japan.

"Our interests here are special and non-diplomatic," an IRI official said.

(Continued on Page 18, Col. 3)

Guth Underlines 'Microeconomic' Risks For Private Banks in Recycling Funds

The New York Times reported that the most popular speech at the International Monetary Conference in New Orleans earlier this month was that given by Wilfried Guth, one of the two chief executives at Deutsche Bank. "It was clear that the secret of the popularity of Mr. Guth's address was that it reflected what most of the delegates were thinking," The Times said.

After illustrating how the problems of regulating international capital flows in the wake of the "second oil shock" are more complex than in 1973-74, Mr. Guth discussed in detail the risks facing individual banks as they work within the world financial system to accomplish this "recycling." The following is an excerpt from that part of Mr. Guth's speech.

Against the backdrop of further oil-price increases and the disruptions of Middle East tensions, Mr. Guth's analysis is likely to be of interest not just to the 200 leading bankers attending the New Orleans conference, but to anyone involved in international business.

Much has been written or said in recent times about the macroeconomic impact of international lending. Surprisingly little attention, however, has been paid to the microeconomic aspects of this process, that is, its impact on banks' profits and balance sheets.

Yet, the great macroeconomic issue of "recycling" payments surpluses of oil producers to oil importers, incurring deficits through oil imports depends in the end also on a successful mastering of a number of microeconomic problems — namely, the maintenance of the strength and viability of the internationally active banks.

It is a well-known fact that since 1976 we have experienced an almost uninterrupted decline in the margins charged on roll-over Eurocredits, accompanied by a lengthening of maturities. We all know the main reasons for this — simple liquidity, moderate domestic demand for credit, keen competition among banks, especially newcomers to international lending, and, not least, the influence of prestige considerations among the borrowers.

Many of us have said publicly that present margins above LIBOR can hardly be profitable. Could it not be that the much-deplored decline in Eurocredits has also something to do with insufficient profitability analysis?

Does this mean that banks engaged in a good deal of international lending will run into trouble, as one news magazine tried to suggest some months ago in a very irresponsible way? Certainly not. But, I think it is fair to say: Whatever basis of calculation we use and whatever positive side effects we include in it, Eurocrediting at present rates is not profitable, at least not in the sense of providing both an appropriate provision for risk and an adequate remuneration of the capital employed.

What is likely to happen in this unsatisfactory state of affairs? As this is a very broad international market — and a particularly free market, as I would like to stress — there will not be (and should not be) any uniform reaction by participants. As to the bank I represent,



Wilfried Guth

through analysis of balance sheets and profit and loss accounts, it is macroeconomic data and political observations which we have to collect and evaluate here. Therefore this analysis is infinitely more complex, particularly when it comes to forming a final judgment.

Even with the most perfect analysis, however, the question remains as to how seriously we have to take these country risks.

It is often mentioned that actual defaults of significant size have been fairly limited. Although payments difficulties of developing countries have been and are the order of the day, clear-cut moratoria have been infrequent and generally resolved with debt restructuring. Currently, only a few countries are in arrears with their private bank loans.

Yet, it would certainly be misleading to try to assess the risk potential of international credits by pointing to past experience. The overall situation has become more difficult since the second oil shock. Also, the difficulties of individual debt-restructuring cases should not be underestimated. The current

(Continued on Page 18, Col. 6)

CURRENCY RATES

Interbank exchange rates for June 13, 1980 excluding bank service charges

	\$	£	D.M.	F.F.	ItL	Gld.	S.F.	S.P.	D.K.
Amsterdam	1.923	4.512	189.48	47.87	3.2275	—	6.84	119.34	35.28
Brussels (B)	20.75	45.12	182.22	4.71	3.285	14.88	6.32	17.2	5.2
Frankfurt	1.928	4.105	—	42.99	3.114	9.16	6.32	16.88	32.12
London (B)	2.342	—	4.105	9.755	1.0475	4.5015	62.75	2.78	12.63
Madrid	20.45	164.20	47.25	36.30	—	43.90	26.20	34.22	132.10
Milano	—	2.971	8.702	8.342	8.719	1.519	0.026	8.624	0.184
New York	—	1.367	23.25	—	4.928	31.45	14.54	23.64	76.63
Paris	1.41	3.796	91.763	36.478	6.197	33.966	5.7463	—	29.627
Zurich	1.624	6.616	2.518	5.89	1.1074	3.75	40.296	2.31	7.953
SCU	—	—	—	—	—	—	—	—	—

	\$	£	D.M.	F.F.	ItL	Gld.	S.F.	S.P.	D.K.
Swiss	0.822	—	—	—	—	—	—	—	—
Belgian franc	0.0272	—	—	—	—	—	—	—	—
Canadian \$	0.727	—	—	—	—	—	—	—	—
Danish krone	0.1325	—	—	—	—	—	—	—	—
Deutsche	0.024	—	—	—	—	—	—	—	—
Escudo	N.D.	—	—	—	—	—	—	—	—
Fla. mark	0.2739	—	—	—	—	—	—	—	—

Source: 1.1043 Irish L. (a) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

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(established in Curaçao, Netherlands Antilles)

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The Annual General Meeting of Shareholders has this day declared a cumulative preferential dividend of US\$ 10.00 per Participating Cumulative Preference Share for the fiscal year ended December 31, 1979 payable on June 18, 1980.

Preference Shareholders will receive payment of such dividends in U.S. Dollars as follows:

- In the case of holders of registered certificates, a check in the amount of US\$ 10.00 will be mailed by First National City Bank, Brussels, on June 17, 1980 to the holders of record on June 16, 1980.
- In the case of holders of bearer certificates, payment in the amount of US\$ 10.00 will be made against presentation of Coupon No. 10 on or after June 18, 1980 to First National City Bank (Corporate Agency Department), 111 Wall Street, New York, N.Y., or to the main office of First National City Bank in Brussels: Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg, Luxembourg.

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Guth Describes 'Microeconomic' Risks

By Friday, major banks had reduced their prime lending rate, the most visible of all short-term rates, to 12 percent. In response to a contracting economy, the prime rate started coming down in mid-April from its peak of 20 percent. Meanwhile, yields on three-

However, most other banks with loans on which Chrysler has defaulted have not seized the automaker's assets in partial payment, although a bank in West Germany took over \$8 million under similar circumstances last week.

The Iran crisis demonstrated that the Euromarket can be threatened not only by financial difficulties in debtor countries or liquidity problems.

An EEC background paper warned that steel exports to the United States, whose total value is estimated at roughly \$1.5 billion annually, might "be virtually brought to a halt," by antidumping action against EEC steel producers.

Borrowers Rush to Bond

During the seignior period, the coupon rate was cut a half point to 2.25 percent and the amount increased by \$20 million to \$120 million. Despite that, demand was voracious, partly because investors receive a claim on Swiss franc shares but get a higher rate of interest than is available on Swiss franc bonds.

S.G. Warburg and the Kuwait International Investment Co. among the co-managers. For some time, Arab financial institutions refused co-managed Eurobond issues with Warburg, which was placed on the Arab boycott blacklist. But the London Mercantile Bank's name has been removed.

The holders of international floating rate notes 1979-1987 issued by SOCIÉTÉ CENTRALE DE BANQUE who were called for June 11, 1980, being unable to meet their deposit obligations, the noteholders are summoned to an Ordinary General Meeting, at 50 Boulevard Haussmann, Paris (France) on June 30, 1980, at 4 p.m. in order to consider the same agenda as that for the first meeting, that is:

- Appointment of the noteholders' permanent representatives, designation of the substitute representatives.
- Determination of the noteholders' representatives' capacities and of the instructions given to the permanent representatives.

To permit the noteholders to attend or to be represented at this meeting, the votes on their deposit obligations and the interest on the bonds held by them to be paid for the meeting, at the offices of the banks having participated in the placing of these notes and from whom provide or admission cards can be requested.

Société Européenne pour le Financement de Matériel Ferroviaire

Ahu Dhabi Investment Company, Al Bahrain Arab African Bank (E.C.), Alshabi Bank of Kuwait (K.S.C.), Allgemeine Bank Nederland N.V., A.B.E.A.S. & Co. Limited, Amsterdam-Rotterdam Bank N.V., Arab Bank Investment Company Limited, Roche Batsley Stuart Shields Incorporated, Banca Commerciale Italiana, Bank of America International Limited, Bank Julius Baer International Limited, Bank Max Fischer RCV Bank für Gemeinwirtschaft Aktiengesellschaft, Bank Gotzweiler, Kurz, Bungenzer (Oversveen) Limited, Bank of Beland Ltd., Bank Lea International Ltd., Bank of Tokyo International Limited, Bankers Trust International Limited, Banque Arabe et Internationale d'Investissement (B.A.I.I.), Banque Européenne des Tokyo, Banque Française du Commerce Extérieur, Banque Générale du Luxembourg S.A., Banque Harel, Banque de l'Indochine et des Suez, Banque Internationale à Luxembourg S.A., Banque Ipso S.p.A., Banque Louis-Dreyfus, Banque Nationale de Paris, Banque de Neufville, Schlumberger, Mallet, Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg S.A., Banque Populaire Suisse S.A. Luxembourg, Banque Privée de Gestion Financière "B.P.G.F.", Banque Rothschild, Banque de l'Union Européenne, Banque Varnes et Commerciale de Paris, Banque Worms, Barclays International Group, Bayerische Hypotheken- und Wechsel-Bank, Bayerische Landesbank Girozentrale, Bergen Bank, Bedwin, Bonaldi und Frankfurter Bank, Caisse Centrale de Madagascar, Cassa di Risparmio di Genova e Imperia, Central Bank of India, Citicorp, Citibank, Citicredit Limited, Chemical Bank International Group, Christiana Bank og Kreditvesen, Citicorp International Group, Commerzbank Aktiengesellschaft, La Compagnie Financière, Compagnie Monégasque de Banque, Continental Illinois Limited, Copenhagen Handelsbank, County Bank Limited, Crédit Agricole, Crédit Chimique, Crédit Commercial de France (Securities) Limited, Crédit Industriel d'Alsace et de Lorraine, Crédit Industriel et Commercial, Crédit Lyonnais, Crédit du Nord, Credit Suisse First Boston Limited, Creditreform-Bankverein, Dai-ichi Kangyo Bank Nederland N.V., Daiwa Europe N.V., Dauter & Söhne & Co., Bankeirs, Den norske Creditbank, Deutsche Bank Aktiengesellschaft, Deutsche Girozentrale-Deutsche Kommunalbank, DG Bank Deutsche Genossenschaftsbank, Dresdner Bank Aktiengesellschaft, Draxel Bühlmann Lambert Incorporated, European Banking Company Limited, Finanzor, Robert Fleming & Co. Limited, Fuji International Finance Limited, Genossenschaftliches Zentralbank AG Vienna, Antony Gibbs Holdings Ltd., Girozentral und Bank der österreichischen Sparkassen Aktiengesellschaft, Goldman Sachs International Corp., Hambros Bank Limited, Hessische Landesbank-Girozentrale, Heli Sonmal & Co. Limited, Industriebank von Japan (Deutschland) Aktiengesellschaft, Inter-Alpha AS, Internation-Banque, Infra Investment Co. S.A.L., Kansai-Ito International Bank S.A., Kilder, Peabody International Limited, Kleinwort, Benson Limited, Kreditbank N.V., Kuwait Foreign Trading Contractors & Investment Co. (S.A.K.), Kuwait International Investment Co. s.a.k., Kuwait Investment Company (S.A.K.), Lazard Frères et Cie, Lloyds Bank International Limited, Manufacturers Hanover Limited, Marine Midland Limited, Merrill Lynch International Inc., C. Milberg Ltd. & Co. (Europe) S.A., Mitsui Finance Europe Limited, Morgan Guaranty & Co. Limited, Morgan Stanley & Co. Limited, Marubeni Bank, National Bank of Abu Dhabi, Nederlandsche Middelenstadsbank N.V., Nederlidsche Credietbank n.v., Nesbitt Thomson Limited, The Nikko Securities Co., (Europe) Ltd., Nitpon European Bank S.A., Norama Europe N.V., Norddeutsche Landesbank Girozentrale, Nordic Bank Limited, Orion Bank Limited, Österreichische Länderbank Aktiengesellschaft, Pierson, Balding & Pierson N.V., Privatbanken Aktieselskab, Salomon Brothers International, Sanro Bank (Underwriters) Limited, Somedevnarm Bank Limited, Schoeller & Co., Schröder, Münchmeyer, Hengst & Co., J. Henry Schroder Wagg & Co. Limited, Shearson Loeb Rhoades International Limited, Skandinaviska Enskilda Banken, Slavenburg Oyens & van Eeghen N.V., Smith Barney, Harris Upham & Co. Incorporated, Société Générale Alsacienne de Banque, Sociétés Générales de Banque S.A., Sparbankernas Bank, Sumitomo Finance International, Svenska Handelsbanken, Swiss Bank Corporation (Overseas) Limited, Union Bank & Norway Ltd., Union Bank of Switzerland (Securities) Limited, Westdeutsche Landesbank Girozentrale, Westdeutscher Bank Aktiengesellschaft, Williams, Glyn & Co., Dunn Witherby Reynolds International, Westfälische Landesbank Girozentrale, Westfälischer Bank Aktiengesellschaft, Zentralsparkasse und Kommunalfondbank Wien

For information please write to:
Apartado de Correos N° 50.692 (Ref. 5754). MADRID (SPAIN)

International institutions	11
Industrials, long term	11
Industrials, medium term	10
Canadian dollars, medium term	12
French franc, long term	13
Unit of acc. long term	10

	Total	Dollar	Net
Cedel	1,191.2	967.6	
Eurocl	3,629.4	3,243.4	3

ADVERTISEMENT

MAKITA ELECTRIC WORKS LTD.
(CDE's)

The undersigned announces that as from June 1989, the **Amsterdam Deposit Company N.V.**, 172, rue de la Loi, 1050 Brussels, 20 (formerly as "Amsterdam Bank"), a public limited electric Works, Ltd., will be possible with 2.79 net per CDR, rep. 50, 1.000 sh. record-date 20.12.1989; gross Yrs 7.5 p. deduction of 15% Japanese tax = Yrs 5.1 Dfls. 9.28 per CDR, rep. 50, 1.000 sh. "Affidavit" 20% Japanese tax = Yrs 4.1 Dfls. 6.66 per CDR, rep. 50, 1.000 sh. Yrs 1.1 Dfls. 13.21 per CDR, rep. 1,000 sh. deducted.

After 20.12.1990 the div. will only be paid on the basis of 20% rep. with Dfls. 2.34 per CDR, rep. 50 and Dfls. 32.40 per CDR, rep. 1,000 sh. in accordance with more tax regulations.

**AMSTERDAM DEPOSIT
COMPANY N.V.**

مكنا من الأهل

(Continued From Page 6)

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mt	Security	Middle Price	Conv. Period	Conv.Pr n/A	Conv. Down	C Y
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[illegible][illegible]

For the Week Ending June 13, 1980

[illegible]

All of these Securities have been sold. This announcement appears as a matter of record only.

\$50,000,000
(Canadian)

(Canadian)

***General Motors Acceptance Corporation
of Canada, Limited***

12% Notes Due June 15, 1985

Payment of principal and interest unconditionally guaranteed by

General Motors Acceptance Corporation

MORGAN STANLEY INTERNATIONAL

DEUTSCHE BANK

SOCIETE GENERALE

SWISS BANK CORPORATION (OVERSEAS)**DOMINION SECURITIES LIMITED****SOCIETE GENERALE DE BANQUE S.A.**

WOOD GUNDY LIMITED

ALGEMENE BANK NEDERLAND N.V. ^{Limited} A. E. AMES & CO. ^{Limited} AMSTERDAM-ROTTERDAM BANK N.V. ^{Limited}

B.S.I. UNDERWRITERS ^{Limited} BANCA COMMERCIALE ITALIANA ^{Limited} BANCA DEL GOTTARDO ^{Limited}

BANK OF AMERICA INTERNATIONAL ^{Limited} THE BANK OF BERMUDA ^{Limited} BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) ^{Limited}

BANK JULIUS BAER INTERNATIONAL ^{Limited} BANKERS TRUST INTERNATIONAL ^{Limited} BANQUE BRUXELLES LAMBERT S.A. ^{Limited}

BANQUE FRANCAISE DU COMMERCE EXTERIEUR ^{Limited} BANQUE GENERALE DU LUXEMBOURG S.A. ^{Limited}

BANQUE DE L'INDOCHINE ET DE SUEZ ^{Limited} BANQUE LOUIS-DREYFUS ^{Limited} BANQUE NATIONALE DE PARIS ^{Limited}

BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET ^{Limited} BANQUE DE PARIS ET DES PAYS-BAS ^{Limited}

BANQUE PRIVEE DE GESTION FINANCIERE "B.P.G.F." ^{Limited} BANQUE WORMS ^{Limited} BARING BROTHERS & CO. ^{Limited}

BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK ^{Aktiengesellschaft} BAYERISCHE LANDESBANK GIROZENTRALE ^{Limited} BERGEN BANK ^{Limited}

BERLINER HANDELS- UND FRANKFURTER BANK ^{Limited} BURNS PRY CAZENOVE & CO. ^{Limited} CHASE MANHATTAN ^{Limited}

CHRISTIANA BANK OG KREDITKASSE ^{Limited} CIBC LIMITED ^{Limited} CONTINENTAL ILLINOIS ^{Limited} COPENHAGEN HANDELSBANK ^{Limited}

CREDIT COMMERCIAL DE FRANCE ^{Limited} CREDIT INDUSTRIEL ET COMMERCIAL ^{Limited} CREDIT LYONNAIS ^{Limited}

CREDIT SUISSE FIRST BOSTON ^{Limited} CREDITANSTALT-BANKVEREIN ^{Limited} DAI-ICHI KANGYO BANK NEDERLAND N.V. ^{Limited}

DAIWA EUROPE N.V. ^{Limited} DEN DANSKE BANK ^{of 1871 Aktieselskab} DEN NORSKE CREDITBANK ^{Limited} DRESDENER BANK ^{Aktiengesellschaft}

DREXEL BURNHAM LAMBERT ^{Incorporated} EUROMOBILIARE S.p.A. ^{Limited} EUROPEAN BANKING COMPANY ^{Limited}

GIROZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN ^{Limited} GOLDMAN SACHS INTERNATIONAL CORP. ^{Limited}

GREENSHIELDS ^{Incorporated} RAMBROS BANK ^{Limited} HILL SAMUEL & CO. ^{Limited} IBJ INTERNATIONAL ^{Limited}

KANSALLIS-OSAKE-PANKKI ^{Limited} KIDDER, PEABODY INTERNATIONAL ^{Limited}

KLEINWORT, BENSON ^{Limited} KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.) ^{Limited}

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K. ^{Limited} KUWAIT INVESTMENT COMPANY (S.A.E.) ^{Limited} LTCB INTERNATIONAL ^{Limited}

MANUFACTURERS HANOVER ^{Limited} McLEOD YOUNG WEIR INTERNATIONAL ^{Limited} MITSUBISHI BANK (EUROPE) S.A. ^{Limited}

SAMUEL MONTAGU & CO. ^{Limited} MORGAN GRENFELL & CO. ^{Limited} NESBITT, THOMSON ^{Limited}

THE NIKKO SECURITIES CO. (EUROPE) LTD. ^{Limited} NOMURA EUROPE N.V. ^{Limited} SAL. OPPENHEIM JR. & CIE. ^{Limited} ORION BANK ^{Limited}

PITTFIELD MACKAY ROSS ^{Limited} PRIVATBANKEN A/S ^{Limited} RICHARDSON SECURITIES OF CANADA (U.K.) LTD. ^{Limited} ROTHSCHILD BANK AG ^{Limited}

N. M. ROTHSCHILD & SONS ^{Limited} THE ROYAL BANK OF CANADA (LONDON) ^{Limited} SALOMON BROTHERS INTERNATIONAL ^{Limited}

SCANDINAVIAN BANK ^{Limited} J. HENRY SCHRODER WAGG & CO. ^{Limited} SKANDINAVISKA ENSKILDA BANKEN ^{Limited}

SVENSKA HANDELSBANKEN ^{Limited} VEREINS- UND WESTBANK ^{Aktiengesellschaft} J. VONTOBEL & CO. ^{Limited} S. G. WARBURG & CO. LTD. ^{Limited}

WARDLEY ^{Limited} WESTDEUTSCHE LANDESBANK ^{Limited} TAMAICHI INTERNATIONAL (EUROPE) ^{Limited}

GIROZENTRALE ^{Limited}

Page 5 1980

June 5, 1980

Friday: Blue Pitches Giants Past Mets, 3-1

Rangers 6, Blue Jays 3
In the American League, at Toronto, Al Oliver drove in three runs, two with a double in a five-run sev-

Friday's Games NATIONAL LEAGUE		Pittsburgh		St. Louis		New York		Detroit	
Atlanta	100 200-7 11 2	Cardinals	2	Braves	2	Phillies	2	Tigers	2
Chicago	100 193-4 9 6	Pirates	2	Reds	2	Mets	2	Lions	2
Philadelphia	100 191-4 9 6	Giants	2	Cubs	2	Yankees	2	Panthers	2
San Francisco	100 191-4 9 6	Padres	2	Mariners	2	Angels	2	Chargers	2
Los Angeles	100 191-4 9 6	Astros	2	Rangers	2	Twins	2	Seahawks	2
San Diego	100 191-4 9 6	Braves	2	Mariners	2	Twins	2	Seahawks	2
San Francisco	100 191-4 9 6	Padres	2	Mariners	2	Twins	2	Seahawks	2
Los Angeles	100 191-4 9 6	Padres	2	Mariners	2	Twins	2	Seahawks	2
San Diego	100 191-4 9 6	Padres	2	Mariners	2	Twins	2	Seahawks	2
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Los Angeles	100 191-4 9 6	Padres	2	Mariners	2	Twins	2	Seahawks	

American Exchange Options

For the Week Ending June 13, 1980

[illegible]

	B34	B42	Y14
4-19-7000	7.89	7.27	7.48
5-19	7.89	7.19	7.54
6-23	7.14	6.60	6.70
7-26	5.96	5.69	5.69
8-18	5.87	5.61	5.55
9-17	5.99	5.61	5.73
7-22	6.30	5.70	5.81
8-24	6.19	5.65	5.67
9-17	6.15	5.67	5.75
8-21	6.25	5.67	5.71
9-14	6.48	6.14	6.29
10-18	6.29	6.19	6.39
8-24	6.43	6.19	6.35
8-28	6.29	6.17	6.33
9-11	6.43	6.23	6.39
9-11	6.18	6.10	6.28
9-16	6.49	6.19	6.38
9-16	6.26	6.12	6.21
10-1	6.43	6.12	6.21
10-2	6.41	6.25	6.56
10-9	6.62	6.26	6.58
10-16	6.43	6.29	6.60
10-16	6.63	6.41	6.64
10-23	6.62	6.41	6.64
10-30	6.62	6.41	6.64
11-6	6.62	6.41	6.64
11-13	6.68	6.59	6.67
11-20	6.70	6.54	6.62
11-27	6.67	6.53	6.58
12-4	6.67	6.53	6.62
12-11	6.60	6.52	6.63
12-18	6.61	6.64	6.65
1-29	6.92	6.72	7.07
2-5	7.08	6.82	7.19
2-26	7.08	6.82	7.19
3-6	7.08	6.82	7.19
3-13	7.08	6.82	7.19
3-20	7.08	6.82	7.19
5-31	7.08	6.94	7.40

	Sales	High	Low	Last	Change
GHCases	2,121,200	20%	27%	25%	+6
HCOutfit	1,276,200	27%	24%	25%	+1%
McCall Out	529,000	12%	11%	13%	+2
Imperius	1,080,900	32%	34%	32%	+4%
HaskyOps	1,044,400	13%	12	13%	+1%
McCall's	574,100	28%	27%	28%	+1%
Adios Cam	54,000	5%	5	5	0
Restricta	444,000	3%	3%	3%	+3
Goldmtr	426,500	31%	32%	28%	+1%
DedeTire	407,000	7%	6%	6%	+2%

Volume: 27,449,620 shares
 Year to Date: 647,056,930 shares
 Issues traded in: 15
 Advances: 48; declines: 301; unchanged: 167
 New Highs: 32; new lows: 23

Envoy to U.S.

LA PAZ, June 15 (Reuters) — The Bolivian government has recalled its ambassador to Washington following charges by the Bolivian military that the U.S. ambassador in La Paz had interfered in the country's internal affairs, official sources said yesterday.

The sources said Ambassador Roberto Arze was being summoned to La Paz for consultations on relations between the two countries. They did not say when he would return to Washington.

published at the end of the week, this is a compilation of senior level job opportunities from selected publications. Senior level jobs published in the International Herald Tribune will automatically appear in this feature.

"INTERNATIONAL EXECUTIVE OPPORTUNITIES," contact our office in your country (listed in classified section) or place an advertisement in this section.

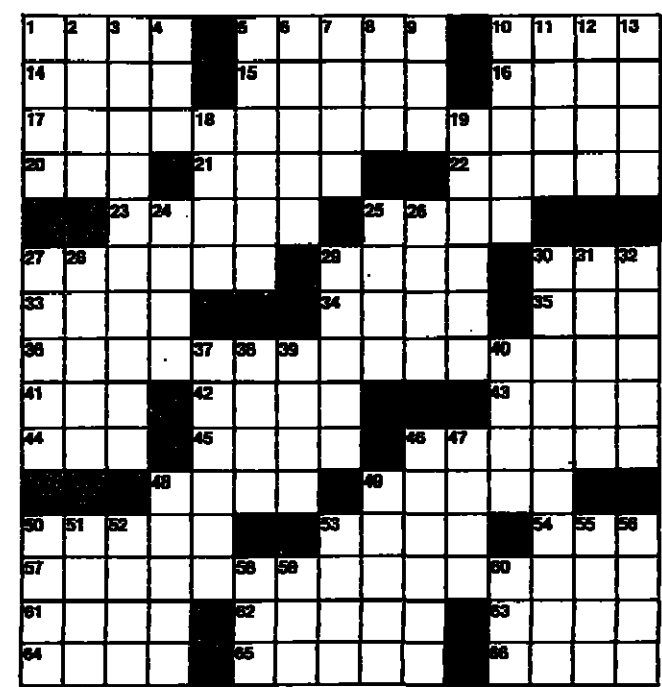
For general or comments concerning this feature can be directed to Juanita Compton in the Paris office.

#	TITLE	SALARY	EMPLOYER	JOB LOCAT.	SOME OF THE QUALIFICATIONS	CANDIDATES SHOULD MAKE CONTACT WITH	ADVT. Source
1	TRADING MANAGER		Son of major Saudi Arabian trading, transportation & investment groups.	Saudi Arabia	3-4 yrs. position as Chief Financial Officer in fact; Iraq, Arab oil, or other national with Int'l Mgmt.	Ref. 194/2, Charles Parker-Cuthbert, 2 Tavistock Place, London WC1H 9SA, Tel.: 01-278 5981.	L.H.T. 4-6-80
2	MANAGEMENT CONSULTANT		Son of Saudi Arabian industrial & commercial groups.	Saudi Arabia	General Manager of highest calibre with commercial, financial & forward planning expertise and Int'l trading capacity.	Ref. 193/2, Charles Parker-Cuthbert, 2 Tavistock Place, London WC1H 9SA, Tel.: 01-278 5981.	L.H.T. 4-6-80
3	MANAGEMENT CONSULTANT	Highly competitive	Marketing Improvement Ltd.	Brussels	Univ. deg.; min. 5 yrs. practical exp. in mktg./sales mngt.; Eng., Fr. + Span.	Richard Martin, M.J. Europe S.A., 40 Ave. de l'Europe, 1040 Brussels, tel. (02) 736 9997.	L.H.T. 4-6-80
4	MANAGEMENT CONSULTANT	Commensurate with position	Int'l company.	Paris or London	35-45; generalist with substantial exp. in pharmaceutical mgt., admin. & finance; Eng.	Box 11594, International Herald Tribune, 35251 Housley Codes, France.	L.H.T. 4-6-80
5	MANAGEMENT CONSULTANT	c. S.R.175,000	Joint venture co. (contracting projects).	Saudi Arabia	Minimum grad. who could be a generalist with contracting mgt.; good overseas record; grad. mgt. in Ind-Eng.	Ref. 180/38, Lloyd Chapman & Co., 173 New Wing Way, London W19 6NF, tel.: 01-498 77 67.	L.H.T. 7-6-80
6	MANAGEMENT CONSULTANT	Extremely attractive	IMP Process Division.	Middle East	Grad. engineer, U.S. trained with exp. in U.S. co. & with extensive mgt. exp. in context of refining or petrochem. facilities.	Manager, Employee Relations, IMP Inc., 28 IMP Plaza, New Orleans, LA 70018, U.S.A.	L.H.T. 7-6-80
7	MANAGEMENT CONSULTANT	Negotiable fee type	Int'l mining consortium.	Republic of Guinea	Engineering qual. (grad. Chartered/Grad.); exp. in port techn. mgt. & maintenance; Eng., Fr.	Ref. 5901, Philip Smith, 95-87 Jerome St., London SW17 6BE.	The Economist 7-6-80
8	MANAGEMENT CONSULTANT	c. £15,000 + car	Kings Electric Removers Ltd.		Several yrs' exp. as senior manager in charge of export sales; well qual.; Eng., Fr., Eur. mgt.	Humal Consultancy Services Ltd., 81 Watford Rd., Watford, London WD15 9HP, tel.: (02814) 2798.	The Times 8-6-80
9	MANAGEMENT CONSULTANT	c. £15,000 + car	Machine tool products.	Northing U.K.	Proven track record in overseas selling of Engineering or m/e tool products; Eng. + Fr. or Eur.; 30-45.	Ref. 95, 33/21, Slogans Cranston, 2nd floor, Market Chambers, Shelton Sq., Coventry, tel.: 0263/23143.	The Times 8-6-80

(Continued from Back Page)

[illegible]

CROSSWORD By Eugene T. Maleska



- ACROSS**
- Barbecue item
 - Israeli port
 - Transactions
 - S.A. capital
 - Sarnoff's medium
 - Crack
 - Learning periods
 - diem
 - Japanese parliament
 - Shelter made of skins on poles
 - Textbook section
 - Sins
 - Spread
 - Current unit, for short
 - "—boy!"
 - Dressed
 - "L'etat c'est"
 - Camel
 - Word with pins or cents
 - Den
 - Division word
 - Work unit
- DOWN**
- Rebuff
 - Plumber's installation
 - Fixing indelibly, as on the memory
 - Sailor
 - Pyle and Kovacs
 - Kind of paint
 - Mine entrance
 - Twisting
 - Toot in a Markham poem
 - Years
 - One of the Carters
 - Record
 - Building projection
 - Christian Science founder
 - Walked triumphantly
 - Merit
 - Forgetfulness
 - Start
 - Sommer
 - Some modern Swiss art
 - Spot
 - Others...
 - Sheeplike
 - Hide
 - German count
 - Kind of test
 - Frank
 - Ferrara house
 - Nickname for Barkley
 - Host
 - Kind
 - Moray or conger
 - Suffix meaning "full of"

Solution to Friday's Puzzle

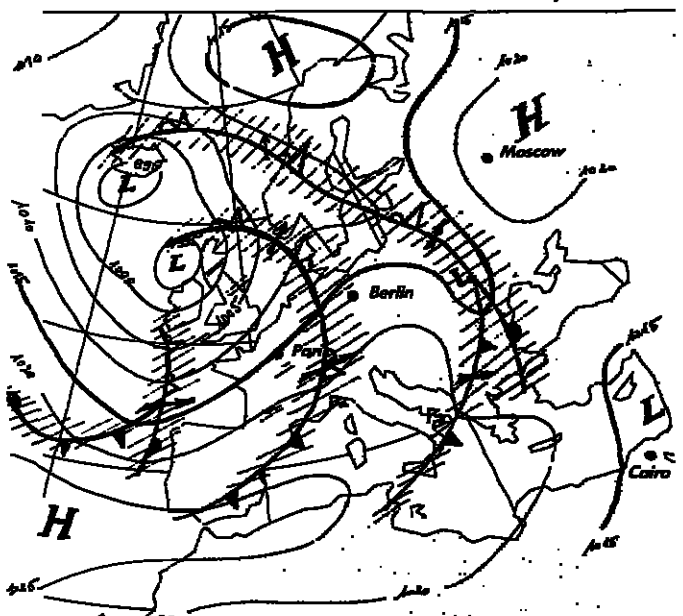
CAST PROA AZHLE
OYO EARL ROAST
OVERMANOS COME
PINNACE ORANGE
MOATHEID LID
DET UNBERVED
BLOOD CLASH ECU
REVS BITYS ARGE
THE SODAS ONSET
GIRLATION OT
THREE SPINELS
SPARKER OPALINE
PEKIA HAMESOVER
ELEVE EODEN PERI
DOSES SATS ENDS

WEATHER

	C	F		C	F	
ALGARVE	19	66	Fair	MADRID	21	70
AMSTERDAM	20	68	Cloudy	MIAMI	28	82
ANKARA	20	68	Fair	MILAN	26	79
ATHENS	21	69	Fair	MONTREAL	15	59
BAGDAD	20	68	Cloudy	MOSCOW	19	66
BELGRADE	21	69	Cloudy	MUNICH	20	68
BERLIN	16	61	Rain	NEW YORK	20	70
BRUSSELS	20	68	Cloudy	NICE	22	72
BUCHAREST	20	68	Fair	OSLO	24	75
BUDAPEST	20	68	Fair	PARIS	20	68
CASABLANCA	20	70	Cloudy	PRAGUE	18	64
COPENHAGEN	15	59	Showers	ROME	24	75
COSTA DEL SOL	25	77	Fair	SOPIA	28	82
DUBLIN	16	61	Overcast	STOCKHOLM	21	70
EDINBURGH	15	59	Overcast	TEHRAN	—	N.A.
FLORENCE	24	75	Cloudy	TEL AVIV	27	81
FRANKFURT	20	68	Cloudy	TOKYO	24	75
GENOVA	20	68	Fair	TURIN	20	68
HELSINKI	21	70	Fair	VIENNA	20	68
HOUSTON	25	77	Fair	WARSAW	24	75
ISTANBUL	20	68	Fair	WASHINGTON	20	68
LAS PALMAS	22	72	Fair	ZURICH	22	72
LISBON	16	61	Showers			
LONDON	20	68	Fair			
LOS ANGELES	25	77	Fair			

(Yesterday's readings in U.S. and Canada at 1700 GMT; Houston and Los Angeles at 2000 GMT local time.)

Situation Forecast for Noon G.M.T. Monday



For Saudis, More Than Alcohol Has to Be Removed From Beer

NEW YORK, June 15 (NYT) — Beer with a head but a nonheady effect — malt-and-hops beer with the alcohol removed — was selling fast in Saudi Arabia, where Moslem laws forbid the consumption of alcohol.

So a year ago this month C. Schmidt & Sons of Philadelphia joined the exporters of this product and shipped 32,000 cases to the Arab country — "It did tremendously well, it sold very quickly," said Gus Economos, vice president of marketing. But Schmidt now is out of the market, he added.

Early this year, industry sources explain, Saudi Arabia banned non-alcoholic beer, asserting that consumers were fermenting the residual carbohydrate extract in it and getting alcohol.

But, said a spokesman for Schlitz brewery in Milwaukee, "The world brewing industry has worked with the Saudi government and resolved the problem." Schlitz, the largest U.S. supplier of nonalcoholic beer, has resumed shipments.

"It was a matter of some sensitivity," the Schlitz spokesman says. "It involved a reduction or elimination of that residue."

PEANUTS



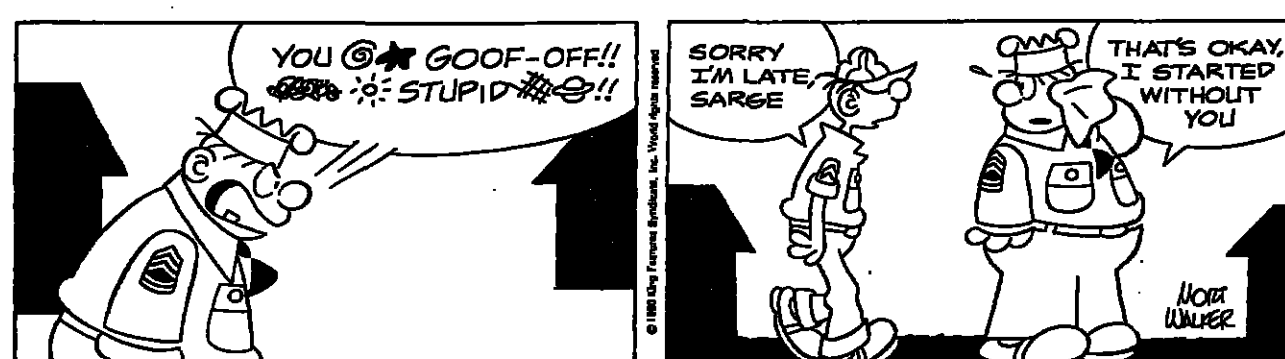
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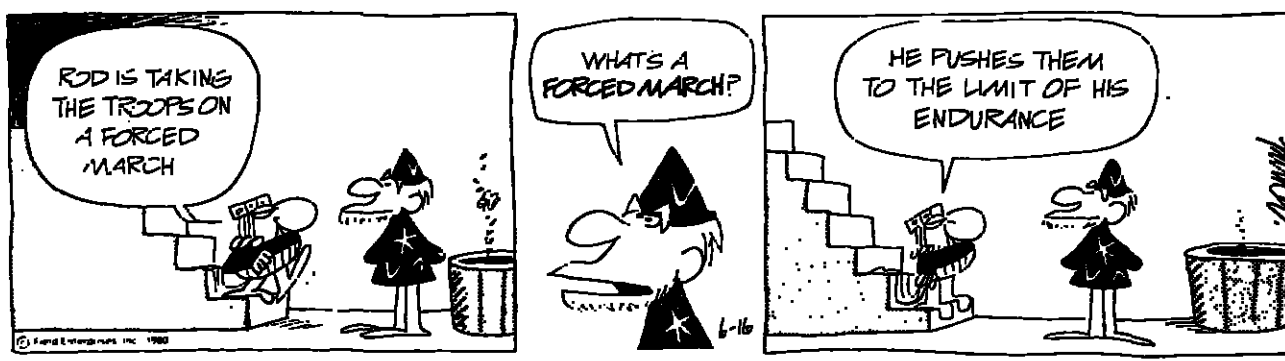
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ANDY



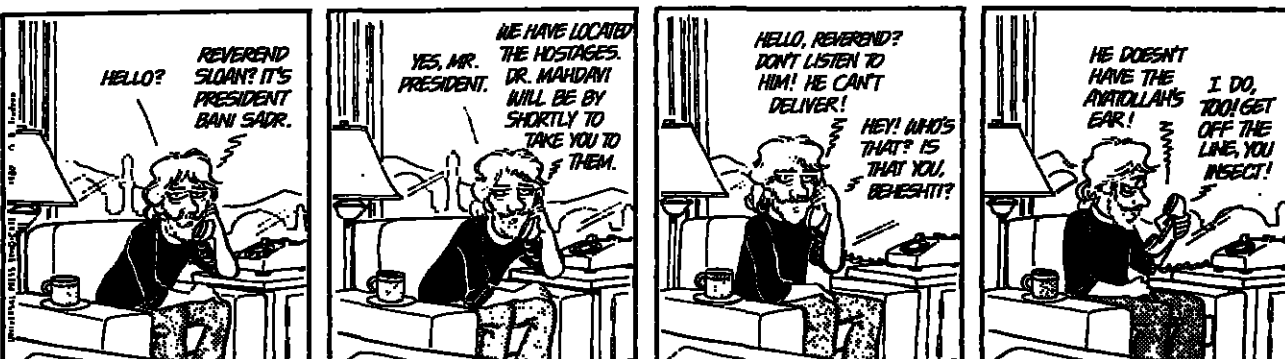
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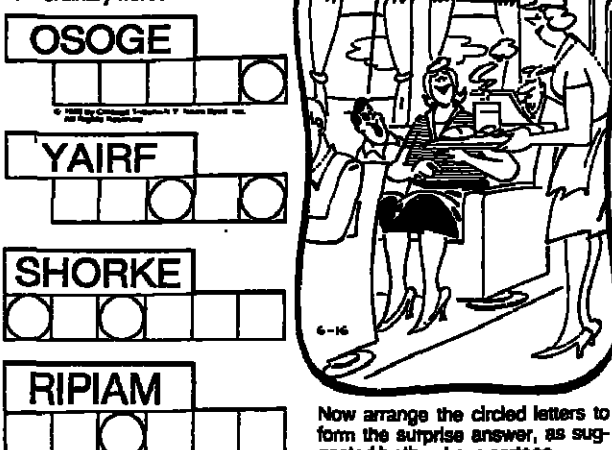


DOONESBURY



JUMBLE. THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Print answer here: "_____ IN THE _____"

Saturday's Jumbles: TARRY BUILT NUTRIA LANCER
Answer: Where they're bound to be borrowed — AT THE LIBRARY

Imprimé par P.I.O. - 1, Boulevard Ney 75018 Paris

BOOKS

MAN IN THE HOLOCENE

By Max Frisch. Translated from the German by Geoffrey Skelton. A Helen and Kurt Wolff Book. Harcourt Brace Jovanovich. 113 pp. \$7.95.

Reviewed by John Leonard

GEOLOGICALLY, the Holocene is the most recent period in the history of the Earth. About 10,000 years ago, the glaciers receded, and man emerged from the Neolithic Age. Now Herr Geiser, a 73-year-old widower living alone in a small house in the Swiss canton of Ticino, in "a valley without through traffic," in the Alps, is about to go backwards, to devote his history to ice and fish-birds. His mind is failing and he knows it.

I am an admirer of Max Frisch's first book, "I'm Not Suller," and his two volumes, "Sketchbook 1946-1949" and "Sketchbook 1966-1971," and I am not an admirer of his recent autobiographical novel, "Montauk," in which consciousness seems somehow to become metallic, to break out in riddles. But "Man in the Holocene" strikes me as just about perfect according to its austere terms: "Who cares about the Holocene? Nature needs no names. Geiser knows that. The rocks do not need his memory."

Geiser's small village is cut off from the outside world. Rockslides have closed the single road. Incandescent rain — "rain as cobwebs over the grounds," "rain as pearls on the winduppane," "rain as silence; not a bird twittering, not a dog barking in the village, the noiseless splashing in the puddles, raindrops sliding slowly down the wires" — has caused the electricity to fail.

Meat spoils. The clock on the church stops working. The hotplate is useless. The village is beginning to forget things: "No knowledge without memory." There is nothing to do but read by candlelight. However,

"Novels are no use at all on days like these. They deal with people and their relationships, with themselves and others, fathers and mothers and daughters or sons, lovers, etc., with individual souls, usually unhappy ones, with society, etc., as if the place for these things were assured, the earth for all time earth, the sea level fixed for all time."

Instead, Geiser reads histories and encyclopedias and guidebooks. He is reminding himself, he is collecting facts. At first, he writes these facts down on little slips of paper in black letters. Later, with scissors, he cuts paragraphs directly out of the encyclopedias. These slips of paper and these paragraphs, these drawings and diagrams, are tacked or taped to his living room wall, at eye level; they curl at their bottoms. Soon there are so many of them that he must remove the portrait of his dead wife from the wall, and then he can't think what to do with the portrait.

All of the facts have to do with catastrophe, and the prehistory of man: "Only human beings can recognize catastrophes, provided they survive them; Nature recognizes catastrophes." He fears an avalanche, that the mountain will fall and a rising of the sea. He fears volcanoes, although there are no volcanoes, although there are earthquakes, although there has never been an earthquake in the Ticino canton. He fears sion and continental drift. He is haunted by reptiles and amphibians — "snakes have no heart" — and lizards, salamanders and mosses and newts. "Geiser is a newt," he makes the point for Nature. Like the chestnut of the Romans planted at the foot of the Alps, he is full of cankers.

Meanwhile, things break. Geiser's reading glasses, the 17-month-old, the mountain on the horizon. He takes a fall. He can't remember why he is wearing his indoors. Are we to believe when he tells us that "since yesterday, when he roasted the cat in the fire and then was unable to eat it, Geiser can no longer face the soup, because there is bacon in it?" Probably. The cat is buried under the roses. He refuses to answer telephone calls from his daughter. He locks his door against the fessor who wants to explain the nature of space. He seeks to escape on the mountain and then, reaching a point where there is transportation to his native Basel, he returns.

He is losing history; he is through the geological state of his own body, back to the sea: "Man an amateur." He counts 16 kinds of thunder. He remembers climbing the Matterhorn with brother, 50 years ago; his brother saved his life. We are told that brother is buried in Baghdad. Are not told why. Perhaps Geiser has forgotten, as he has forgotten where he put his passport. We Nature recognize a passport?

The hallucinatory power of "Man in the Holocene" derives not from the spare prose but from blank spaces — to indicate discontinuities of thought — and from photographic reproductions, in ink typefaces, of the slips of paper and the paragraphs from the encyclopedias. Everything we know leaving us, without our permits. Why did the dinosaurs disappear? When did words begin?

This, then, is senility. Does Frisch feel as bad as Samuel Beckett? Not really. The odd triumph of this very short novel is its humanism, its resistance. We are told that we are amateurs and the like will outlast us, but we can remember our brothers and certain that when "there are shooting stars in the sky, or one hears the call of a seagull."

John Leonard is on the staff of New York Times.

CHESS

By Robert By

THE typical Alekhine Defense buff is a tease who pretends he is giving up something of value when he allows White to advance quickly in the center. His real intention is to prove that the supply lines to White's overextended pawn or pawns are thin and easily cut.

Even if Black does not succeed in this primary objective, he will still have the upper hand if White has to spend all his resources in maintaining an advanced pawn spearhead.

The game between Jon Amason, an Icelandic international master, and Lev Alburt, a New York grandmaster, in the sixth round of the Louis D. Statham International Tournament in Lone Pine, Calif., shows White being forced into a defensive position from the opening on.

One of the necessary points in the attacking system with 4. B-QB4 is that — after 4... N-N3; 5. B-N3 — an attempt to exchange queens by 6... P-P3 is to be countered by 6... Q-R5, P-K3; 7. P-P3, conceding a strong initiative to White on the kingside.

Alburt's innovation, 5... B-B4?, to solve the development problem of this piece, required confident calculation. Thus, after 6. Q-B3, Q-B1, he foresaw that 7. BxPch?; KxP; 8. P-KN4, N-B3; 9. P-B3, P-P3 would be more than satisfactory for Black.

Now, after 7. N-KR3, N-B3; 8. P-B3 was to be caught by 8... P-P3; 9. N-N3, P-K3; 10. NxBP, KxN; 11. QxPch, which wins outright for White.

Alburt's clever 9... B-K2? anticipated 10. NxBP7, R-B1! (10... 0-0?; 11. QxP, P-Q; 12. NxBP, K-R1; 13. NxBP costs Black two pawns and the game); 11. N-N5, BxQ; 12. BxP, R-Q; 13. BxQ, RxB; 14. NxB, K-B5 with a slight superiority in piece mobility for Black.

Once the tactical skirmishes of the opening were huddled after 13... 0-0-0, it could be seen that Alburt enjoyed excellent piece development and that the White KP was a nuisance for Amason to defend. The punishment for 14. QxP? would have been 14... KR-N1; 15. QxPch, QxN; 16. BxPch, K-N1; 17. P-KN3, Q-R3, after which White could easily have resigned.

Nevertheless, Amason patiently organized his defense. On 19... P-N5, he carefully avoided 20. BxN; P-N5; 21. BxN, P-B; 22. N-Q2, P-P.



Position after 29 Bx3

Black's play by Alburt is the strange possibility of 24. BxPch, since it is not clear how the White QB can be trapped after 24... BxPch; 25. B-N3, N-KN3; 26. BxPch, BxPch; 27. B-B6, B-R5; 28. P-QN4, BxPch; 29. BxPch, BxPch.

Alburt's 29... P-N4? is a performance of 29 moves, 45.04 seconds, a high jump.

On 36... BxP, the intention of 37. RxB, KxR would cost a pawn to 38. NxB, N-R5.

Had Amason defended by B2, he would have found himself zugzwang after 40... K-N3; P-B3 would have lost to 41. N-K6; 42. R-K2, N-B8ch, and Q-B4 would have lost to 41. N-Treuhardt.

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